

Managerial Finance



Submission By: Piyanshu Bansal

Submission To: Prof. Veena Patwardhan

Registration No: PG24223

Section: D

Topic: Calculation of EPS & PE Ratio for a Company

Managerial Finance

Date

22nd March

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Topic

Capital structure (JSW Infra)

Name: Piyanshu Bansal Reg no: PG24223

Section - D

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EPS & PE Ratio Of JSW Infrastructure

Particulars	Amount (₹ in Crores)
EBIT (Earnings before Int. & Tax)	572.93
(-) Interest	(205.88)
EBT (Earnings before Tax)	367.05
Tax @ 21.75	(79.84)
PAT (Profit after Tax)	287.21
Weighted Avg no. of Shares outstanding	205.15
EPS (PAT/No. of Shares)	$\frac{287.21}{205.15} \Rightarrow ₹ 1.4 \text{ per Share}$

* All the quantitative data given above was taken from Company's Annual report. 2023-24

Current Market price as per 21st March 2025

$$\Rightarrow 2313$$

EPS: $\rightarrow 21.4$

$$\text{P.E Ratio} \Rightarrow \frac{313}{1.4} \Rightarrow 223.57$$

Interpretation: JSW Infrastructure's EPS & P.E Ratio

High P/E Ratio (223.57) suggests that the Market has high growth expectations for JSW Infrastructure.

Increase in P/E ratio 1st April 2024 21st Mar 2025

$$176.46 \xrightarrow[\text{Rise}]{26.7\%} 223.57$$

Indicates that Investor sentiment has become more bullish, despite EPS remaining the same.

While JSW Infrastructure's EPS is stable at ₹1.4, the sharp increase in its P/E ratio suggest the stock is being valued at a premium. This could be due to growth expectation, sectoral tailwinds, Market Sentiments rather than actual earnings growth. So, the Valuation is Justified.



Financial Statements



STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2024

(₹ in crores)

Particulars	Note No.	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
INCOME			
Revenue from operations	23	534.38	531.58
Other income	24	416.46	296.70
Total income		950.84	828.28
EXPENSES			
Operating expenses	25	218.48	227.37
Employee benefits expense	26	81.69	63.26
Finance costs	27		
- Interest and bank charges		205.88	204.09
- Foreign exchange loss		46.28	256.39
Depreciation and amortisation expense	28	1.72	1.36
Other expenses	29	29.74	23.11
Total expenses		583.79	775.58
Profit before tax		367.05	52.70
Tax expense/(credit)			
Current tax	9	66.42	9.21
Deferred tax	9	13.42	(23.58)
Total tax expense/(credit)		79.84	(14.37)
Profit for the year		287.21	67.07
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		287.21	67.07
Earnings per equity share of ₹ 2 each	38		
Basic (in ₹)		1.49	0.37
Diluted (in ₹)		1.46	0.36

The accompanying notes form an integral part of the standalone financial statements

As per our attached report of even date

For Shah Gupta & Co.

Chartered Accountants

Firm's Registration No: 109574W

For and on behalf of the Board of Directors**Sajjan Jindal**Chairman
DIN : 00017762**Arun Maheshwari**JMD & CEO
DIN : 01380000**Vipul K Choksi**Partner
Membership No. 037606
UDIN: 24037606BKB0QN7855**Lalit Singhvi**Director & CFO
DIN : 05335938**Gazal Qureshi**Company Secretary
M No. A16843Date : 3rd May, 2024
Place : Mumbai

NOTES

to the Standalone Financial Statements as at and for the year ended 31st March, 2024

NOTE 16: EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of shares	₹ in crores	Number of shares	₹ in crores
Share Capital				
Authorised:				
Equity shares of the par value of ₹ 2 each	5,16,64,25,750	1,033.29	5,16,64,25,750	1,033.29
Preference shares of the par value of ₹ 10 each	8,00,00,000	80.00	8,00,00,000	80.00
	5,24,64,25,750	1,113.29	5,24,64,25,750	1,113.29
Issued, Subscribed and paid-up:				
Equity shares of the par value of ₹ 2 each	2,10,00,01,567	420.00	1,86,47,07,450	372.94
Treasury shares held through ESOP trust :				
Equity Shares of the par value of ₹ 2 each (Refer note (a) below)	(4,84,90,746)	(9.70)	(6,68,33,130)	(13.37)
Equity Shares (net of treasury shares)	2,05,15,10,821	410.30	1,79,78,74,320	359.57

Note:

(a) Shares held under ESOP Trust

The Company has created an Employee Stock Ownership Plan (ESOP) for providing share-based payment to its employees.

ESOP is the primary arrangement under which incentive are provided to certain specified employees of the Company and it's subsidiaries. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares.

For the details of shares reserved for issue under the Employee Stock Ownership Plan (ESOP) of the Company (refer note 37).

Movement in Treasury Shares

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of shares	₹ in crores	Number of shares	₹ in crores
Balance at the beginning of the year	6,68,33,130	13.37	7,80,848.00	0.78
Share issued/ (sold) during the year	(1,83,42,384)	(3.67)	21,71,923.00	1.57
Equity shares arising on share split from ₹ 10 each to ₹ 2 each	-	-	88,11,084.00	-
Bonus shares issued during the year	-	-	5,50,69,275.00	11.01
Balance at the end of the year	4,84,90,746	9.70	6,68,33,130.00	13.37

(b) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:

Issued and Subscribed and paid up share capital	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of shares	₹ in crores	Number of shares	₹ in crores
Balance at the beginning of the year	1,79,78,74,320	359.57	5,99,29,144	59.93
Movement during the year				
Equity shares arising on share split from ₹ 10 each to ₹ 2 each	-	-	23,97,16,576	-
Equity Shares issued during the year through Initial Public Offering	23,52,94,117	47.06	-	-
Equity Shares transferred upon exercise of Employee Stock Options	1,83,42,384	3.67	-	-
Bonus shares issued during the year	-	-	1,49,82,28,600	299.65
Balance at the end of the year	2,05,15,10,821	410.30	1,79,78,74,320	359.57