

Weighted Average Cost of Capital

All figures are in INR unless stated otherwise

Peer Comps

Name of the Comp	Country	Total Debt	Total Equity	Tax Rate ¹	Debt / Equity	Debt / Capital	Levered Beta ²	Unlevered Beta ³
JSW Steel	India	98,752.0	245,902.6	30.00%	40.16%	28.65%	1.13	0.88
Tata Steel	India	94,801.1	189,712.2	30.00%	49.97%	33.32%	1.35	1.00
Jindal Steel	India	18,406.1	91,711.0	30.00%	20.07%	16.72%	1.31	1.14
S A I L	India	36,933.9	52,655.9	30.00%	70.14%	41.23%	1.57	1.05
Sarda Energy	India	2,861.1	15,200.0	30.00%	18.82%	15.84%	1.23	1.09
Average				30.00%	39.83%	27.15%	1.32	1.03
Median				30.00%	40.16%	28.65%	1.31	1.05

Cost of Debt

Pre tax cost of Debt	6.81%
tax Rate	30.00%
Post Tax cost of Debt	4.76%

Capital structure

		Current	Target
Total Debt	98,752.0	28.65%	27.15%
Market Capitalization	245,902.6	71.35%	72.85%
Total Capital	344654.62	100.00%	100.00%
Debt / Equity		40.16%	37.27%

Capital structure

	Total cost	Total Weight
Debt	4.76%	27.15%
Equity	13.65%	72.85%

x **Weighted average Cost of Capital** **11.24%**

Cost of Equity

Risk-Free Rate	4.01%
Market Risk Premium	7.26%
Levered Beta ⁴	1.33
cost of equity	13.65%

Levered Beta

comps Median Unlevered Beta	1.05
Target Debt/Equity	37.27%
Tax rate	30.00%
Levered Beta	1.33

Notes

1. Tax Rate Considered as Marginal Tax Rate of the country
2. Levered Beta is based on 3 year weekly data
3. Unlevered Beta = Levered Beta / (1+ (1- Tax rate) * (debt / Equity))
4. Levered Beta = Unlevered Beta * (1+ (1- Tax rate) * (debt / Equity))