RATING BUY | CMP INR 484 | TP INR 596

PL Capital
PRABHUDAS LILLADHER

Usha Martin (USM IN)

Q2FY27 Result Update

November 14, 2026

☑ Estimate Change | ■ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	596		596	
Sales (INR mn)	46,252	51,824	46,379	51,673
% Chng.	*(0.3)*	*0.3*		
EBITDA (INR mn)	9,414	10,664	9,454	10,615
% Chng.	*(0.4)*	*0.5*		
EPS (INR)	22.3	25.3	22.4	25.2
% Chng.	*(0.4)*	*0.4*		

Key Data	USBL.BO | USM IN
BSE Code	517146
NSE Code	USHAMART
52-W High / Low	INR 542 / INR 378
Face Value	1
Sensex / Nifty	81,592 / 25,144
Market Cap	INR 147 bn / $ 1,564 mn
Shares Outstanding	304.74 mn
3M Avg. Daily Value	INR 387.57 mn

Shareholding Pattern (%)

Promoters	40.09
FIIs	15.34
Mutual Funds	14.20
Domestic Institutions	3.14
Public & Others	27.23
Promoter's Pledge (Rs bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(0.5)	(2.7)	1.7	8.0
Relative	(11.0)	(6.9)	(7.0)	11.8

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	36,911	41,822	46,252	51,824
EBITDA (INR mn)	7,051	8,394	9,414	10,664
Margin (%)	*19.1*	*20.1*	*20.4*	*20.6*
PAT (INR mn)	4,660	6,824	6,805	7,733
EV (INR mn)	144,286	140,799	137,236	134,050
Total Debt (INR mn)	1,455	1,305	1,105	805
C&C Eq. (INR mn)	4,778	8,118	11,485	14,374
EPS (INR)	15.3	22.4	22.3	25.3
Gr. (%)	*14.4*	*46.4*	*(0.3)*	*13.6*
DPS (INR)	3.8	4.5	5.4	6.2
Yield (%)	*0.8*	*0.9*	*1.1*	*1.3*
RoE (%)	*15.4*	*19.1*	*16.6*	*16.6*
RoCE (%)	*18.0*	*19.1*	*19.0*	*19.2*
EV/Sales (x)	3.9	3.4	3.0	2.6
EV/EBITDA (x)	20.5	16.8	14.6	12.6
PE (x)	31.7	21.6	21.7	19.1
P/BV (x)	4.5	3.8	3.4	3.0

Richer mix continues to cushion; MENA recovery key

Quick Pointers

- Thailand: Cost rationalization & process integration with Ranchi to improve efficiencies over the next 18 months.
- Elevator ropes: 6ktpa capacity at Ranchi to be commissioned by Q1FY28.

Usha Martin (USM) delivered a steady Q2FY27 performance, with 17% YoY EBITDA growth and margin improvement to 20.2% (up 113bps YoY), despite largely flat volumes. The wire rope business benefited from a richer product mix, with domestic volumes growing 14% YoY and better value growth in the US and Europe, partly offsetting the sharp weakness in the Middle East, where geopolitical disruptions and elevated freight costs delayed order execution and weighed on general-purpose (GP) ropes. The wires business remained a key volume growth driver, with volumes up 25% YoY, while conventional LRPC continued to drag on overall volumes amid weak pricing and USM's strategy to focus on profitable growth. A higher share of value-added products and disciplined cost management helped USM sustain profitability, with EBITDA/t rising 17% YoY to INR40,388 (-1% QoQ).

Mgmt. remains confident of delivering 15% revenue growth in FY27 with sustaining operating EBITDA margins of ~20%, while volume growth is expected to improve in H2. Healthy domestic demand across elevator, mining and infrastructure applications, along with stable traction in the US and Europe, should support growth. Incremental elevator-rope capacity, improving project activity and customer approvals for Plasticated LRPC, and scaling up of niche mining ropes offer further growth opportunities. The planned Thailand turnaround and One Usha Martin initiative are expected to improve cons margins by 100bps over the medium term. We expect the recovery to be back-ended, with easing freight rates and any improvement in geopolitical conditions supporting a strong revival in ME exports as delayed projects move towards execution. We remain constructive on USM's ability to deliver profitable growth and sustainable margins with its focus on value-led growth and specialized applications supporting earnings resilience. Faster normalization in the external uncertain environment to provide additional upside. We broadly maintain our FY28/29E EBITDA and volume estimates and retain BUY with an unchanged TP of INR 596 assigning same 25x PER to Sep'28 EPS.

Other important points:

- Share of international business stood at 57% (INR5.7bn).
- Capex incurred during Q2FY27 was INR700mn (INR1.43bn in H1FY27)

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	*% Var.*	Q2'26A	*YoY gr. (%)*
Net Sales (INR mn)	10,408	10,000	*(3.9)*	9,076	*10.2*
EBITDA (INR mn)	2,028	2,019	*(0.4)*	1,730	*16.7*
Margin (%)	*19.5*	*20.2*	*70 bps*	*19.1*	*110 bps*
PAT (INR mn)	1,458	1,354	*(7.1)*	1,097	*23.4*

Source: Company, PL

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Domestic and US demand offset subdued exports; LRPC volumes impacted: Consolidated revenue grew 10% YoY to INR10bn (-3% QoQ; PLe INR10.4bn). Overall sales volumes remained largely flat YoY at 50kt (-2% QoQ; PLe 50.4kt), as continued weakness in Middle East exports, elevated freight rates and cautious distributor stocking, offset healthy demand across India while the US. Europe volumes remained broadly stable, with better value growth supported by a richer product mix. Management indicated that several export projects were delayed rather than cancelled, with easing freight rates offering scope for gradual improvement in order execution. Volumes for wire ropes was down 4% YoY (but up 4% QoQ) to 27kt, while wire and strand volumes increased 25% YoY to 15kt (7% QoQ; PLe 14kt). LRPC volumes declined 20% YoY and 27% QoQ to 8kt (PLe: 9kt). Blended NSR declined 1% QoQ to INR200k/t (PLe INR206.3k/t), largely reflecting a weaker export and product mix amid subdued Middle East shipments, while international pricing remained broadly stable.

Product mix and cost pass-through drive margin expansion: EBITDA increased 17% YoY to INR2.02bn (-3% QoQ; PLe INR2.02bn), with EBITDA margin improving to 20.2% (PLe 19.5%), up 113bps YoY and flat QoQ. YoY margin expansion was driven by an improving product mix and higher VASP contribution, better NSR, effective cost management and pass-through of higher input and freight costs. RM cost/t increased 6% YoY to INR98.7k, employee cost/t rose 7% to INR23.7k, while other expenses/t increased 17% to INR37.2k. Consequently, consolidated EBITDA/t stood at INR40,388, up 17% YoY but down 1% QoQ (PLe INR40,204). Consolidated PAT increased 23% YoY to INR1.35bn, 7% below our estimate, primarily due to higher-than-expected interest costs and a post-tax loss of INR64mn from the discontinued cables business transferred to RR Kabel.

Exhibit 1: **Quarterly Estimates**

(INR bn)	Q1FY27A	*YoY gr. (%)*	Q2FY27A	*YoY gr. (%)*	Q3FY27E	*YoY gr. (%)*	Q4FY27E	*YoY gr. (%)*
Revenue from Operations	10.33	*16.4%*	10.00	*10.2%*	10.11	*10.2%*	11.38	*16.2%*
EBITDA	2.08	*43.8%*	2.02	*16.7%*	2.07	*17.9%*	2.22	*5.0%*
Margin (%)	*20.1%*	-	*20.2%*	-	*20.5%*	-	*19.5%*	-
Adjusted PAT	1.42	*40.7%*	1.29	*17.6%*	1.49	*38.6%*	2.56	*73.2%*

Source: Company, PL

Q2FY27 Conference Call Highlights

Business update

- Capacity utilization across the business stood at 70-75%, varying by product mix. Management remains focused on improving volumes while protecting margins and avoiding low-return business.
- Net cash stood at INR4.15bn (INR4.65bn in Q1FY27). Working capital days stood at 185 (187 in Q1FY27).

Wire rope business & regional performance

- Middle East wire rope volumes declined around 30% YoY in H1, translating into a shortfall of ~2,500mt. Geopolitical uncertainty, delayed projects and cautious distributor stocking affected demand, particularly for general-purpose ropes. However, VASP and increased service content helped maintain profitability YoY.
- Freight rates to the US, Europe and the Middle East increased 4-6x between Feb and Sep'26, while transit times also lengthened which affected order execution and distributor stocking, particularly for GP ropes. Freight costs have started to come down from the peak levels.
- US business recorded 12% volume and 22% revenue growth in H1. Mgmt. sees significant headroom to expand its presence in mining, elevator and crane ropes. A framework agreement with a US customer is expected to support higher crane rope sales over the next 2-3 years.
- European sales, including direct exports from India, grew 11% in H1, led by better product mix and service revenues. Elevated freight costs impacted demand for GP ropes.
- In Southeast Asia, USM secured a 3-year port contract with a large port operator providing better revenue visibility. USM is also pursuing long-term contracts and consignment arrangements in the US and other markets.
- Mgmt. indicated that certain projects routed through SEAN fabricators for end markets in the Middle East have been delayed rather than cancelled. Execution could support volume recovery in H2FY27 and early FY28 as market conditions improve.

Wires & LRPC

~90% of wire sales are currently in the domestic market, with opportunities to increase market share across auto, springs, power transmission and zinc-aluminium wire applications.

Conventional black LRPC volumes remained weak due to monsoon-related demand softness and low domestic pricing. H1 LRPC volumes declined around 17% YoY, or ~4,000mt, as USM chose not to sell at uneconomical prices.

Plasticated LRPC project activity has improved, with customer approvals now in place and active negotiations underway for domestic and export contracts. Mgmt. expects a meaningful order book to develop over the next 2-3 quarters, although execution will remain project-dependent.

Plasticated LRPC capacity is being expanded from 6ktpa to 11-12ktpa, with completion expected by Jun'27. FY27E sales at 3.5ktpa, 7-8ktpa in FY28E and ~10ktpa thereafter, subject to order conversion and project execution.

USM made its first shipment of plasticated LRPC to a Southeast Asian customer and is quoting for several large projects in domestic and export markets.

Capacity expansion & growth initiatives

- H1FY27 capex stood at INR 1.43bn. The Ranchi elevator rope expansion is under commissioning, with incremental capacity of 500mt/month expected to be fully operational by Q1FY28. Benefits are expected to start coming in from Q4FY27E.
- Domestic elevator rope demand remains strong, with the industry growing at 20-25% p.a. USM is currently unable to fully meet demand from existing customers. The incremental capacity is expected to be absorbed by domestic demand as well as international opportunities, adding an estimated INR 1.3-1.5bn to revenue.
- New higher-value mining rope capacity of around 100mt/month has been commissioned, with a focus on expanding the USM's international presence.
- Mgmt. indicated an annual organic capex outlay of INR 2-2.5bn, directed towards elevator ropes, specialized mining ropes, plasticated LRPC and specialized wires.

Thailand turnaround & strategic initiatives

- USM has initiated a comprehensive turnaround programme for its Thailand facility, where EBITDA margins currently ~6-7%, significantly below group levels. USM targets improving margins to 14-15% over the next 18 months, alongside volume growth of 10-15%.
- Thailand will be positioned as the manufacturing hub for Southeast Asia, with focus on higher-value applications such as ports, elevators, cranes, piling, construction and boat ropes.
- The turnaround will involve closer integration with Ranchi, shifting select upstream processes to India to reduce costs while retaining downstream manufacturing in Thailand. USM is also rationalizing manpower and overheads, modernizing machinery and selectively investing in rope-finishing equipment.
- Mgmt. continues to evaluate inorganic opportunities, particularly medium-sized businesses that can provide access to new markets or strengthen its high-value product portfolio, without straining the balance sheet.

Outlook & guidance

- Mgmt. retained its FY27 targets of 15% revenue growth, operating EBITDA margin of 20% and cash conversion of ~100%. Volume growth is expected to improve in H2, with sequential and YoY growth expected to be positive.
- Wire rope and wire businesses are expected to drive H2 growth, while LRPC remains a drag. Mgmt. continues to prioritize volume growth but not at the cost of margins.
- The recovery in international wire rope volumes will depend on easing freight rates, improved distributor stocking and the resumption of delayed projects. Recent moderation in freight costs is expected to support order execution in H2.
- Mgmt. remains confident of sustaining current EBITDA margins, supported by a higher share of wire ropes and VASP products, along with the ability to pass on input and freight cost increases.
- The US business remains exposed to import tariffs of ~50%. Annual turnover from the US market is ~INR 2.5bn, with tariff costs of ~INR 400mn in FY26. The impact for FY27 is yet to be quantified.

Exhibit 2: Q2FY27 Result Overview - Consolidated

Y/e March (INR bn)	2QFY27	2QFY26	YoY gr. (%)	2QFY27E	% Var.	1QFY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Net Sales	**10.0**	**9.1**	***10.2***	**10.4**	***(3.9)***	**10.3**	***(3.2)***	**20.3**	**17.9**	***13.3***
Raw Material	4.9	4.6	*6.8*	5.2	*(5.8)*	5.2	*(5.0)*	10.1	9.2	*9.5*
% of Net Sales	*49.2*	*50.8*		*50.2*		*50.1*		*49.7*	*51.4*	
Purchase of traded goods	0.0	0.0	*NA*	-	*NA*	0.0	*NA*	0.0	0.1	*NA*
% of Net Sales	*0.2*	*0.4*		*0.0*		*0.2*		*0.2*	*0.3*	
Staff costs	1.2	1.1	*6.6*	1.3	*(7.0)*	1.2	*(3.2)*	2.4	2.2	*7.4*
% of Net Sales	*11.8*	*12.2*		*12.2*		*11.8*		*11.8*	*12.5*	
Other Expenses	1.9	1.6	*16.7*	1.9	*(1.2)*	1.8	*1.5*	3.7	3.3	*13.4*
% of Net Sales	*18.6*	*17.6*		*18.1*		*17.7*		*18.2*	*18.1*	
Total Expenditure	8.0	7.3	*8.6*	8.4	*(4.8)*	8.2	*(3.3)*	16.2	14.8	*9.9*
EBITDA	**2.0**	**1.7**	***16.7***	**2.0**	***(0.4)***	**2.1**	***(2.9)***	**4.1**	**3.2**	***29.1***
Margin (%)	*20.2*	*19.1*		*19.5*		*20.1*		*20.2*	*17.7*	
Depreciation	0.3	0.3	*22.3*	0.3	*4.8*	0.3	*0.9*	0.7	0.6	*19.5*
Other income	0.1	0.2	*(54)*	0.2	*(42)*	0.1	*22.8*	0.2	0.4	*(50.0)*
EBIT	**1.8**	**1.7**	***6.3***	**1.9**	***(5.4)***	**1.8**	***(2.4)***	**3.6**	**3.0**	***20.8***
Interest	0.0	0.1	*NA*	0.0	*26.8*	0.0	*7.9*	0.1	0.1	*(28.5)*
PBT	**1.7**	**1.6**	***7.1***	**1.9**	***(5.9)***	**1.8**	***(2.6)***	**3.5**	**2.9**	***22.7***
Extraordinary income/(expense)	-	(0.2)	*NA*	-	*NA*	-	*NA*	-	(0.2)	*NA*
PBT (After EO)	1.7	1.5	*20.2*	1.9	*(5.9)*	1.8	*(2.6)*	3.5	2.7	*30.8*
Tax	0.4	0.4	*8.5*	0.4	*(2.0)*	0.4	*3.7*	0.9	0.7	*24.2*
% PBT	*25.0*	*27.7*		*24.0*		*23.5*		*24.2*	*25.5*	
Reported PAT	**1.3**	**1.0**	***24.7***	**1.4**	***(7.2)***	**1.4**	***(4.6)***	**2.7**	**2.0**	***33.1***
Minority interest	0.0	0.0	*NA*	0.0	*NA*	0.0	*NA*	0.0	(0.0)	*NA*
Share of profit/(losses) in associates	(0.0)	0.0	*NA*	0.0	*NA*	0.0	*NA*	0.1	0.1	*4.9*
Net Profit attributable to shareholders	1.3	1.1	*17.6*	1.5	*(11.5)*	1.4	*(9.2)*	2.8	2.1	*31.7*
Adjusted PAT	**1.3**	**1.1**	***17.6***	**1.4**	***(9.2)***	**1.4**	***(9.2)***	**2.7**	**2.1**	***28.6***

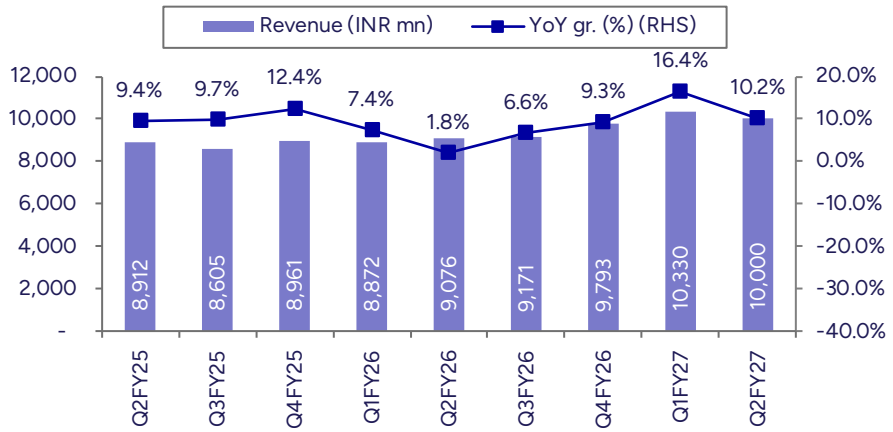
Source: Company, PL

Exhibit 3: Operating Parameters

Y/e March	2QFY27	2QFY26	YoY gr. (%)	2QFY27E	% Var.	1QFY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Volume ('000 mt)	50.00	50.00	-	50.44	*(0.9)*	51.00	*(2.0)*	101.00	101.00	-
Blended Realization/t (INR)	2,00,002	1,81,512	*10.2*	2,06,343	*(3.1)*	2,02,549	*(1.3)*	2,01,288	1,77,698	*13.3*
EBITDA/t (INR)	**40,388**	**34,600**	***16.7***	**40,204**	***0.5***	**40,786**	***(1.0)***	**40,589**	**31,447**	***29.1***

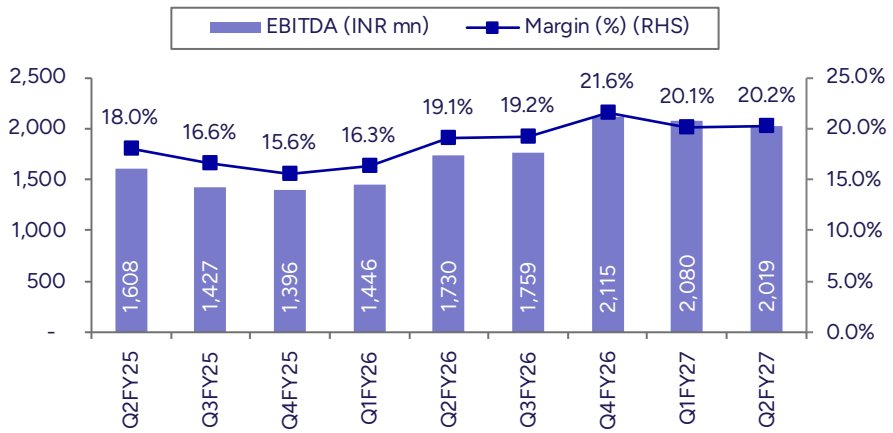
Source: Company, PL

Exhibit 4: Cons. revenue grew 10% YoY on higher share of VASP



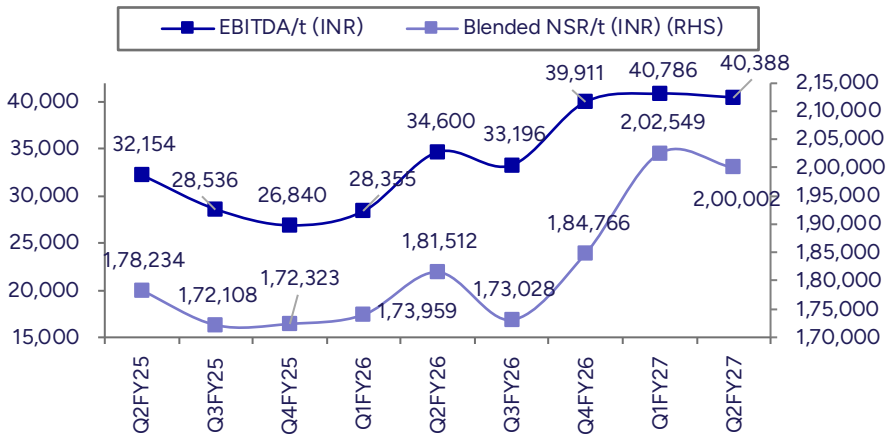
Source: Company, PL

Exhibit 5: EBITDA up 17% YoY; EBITDA margin at 20.2%, an improvement of 113bps YoY (flat QoQ)



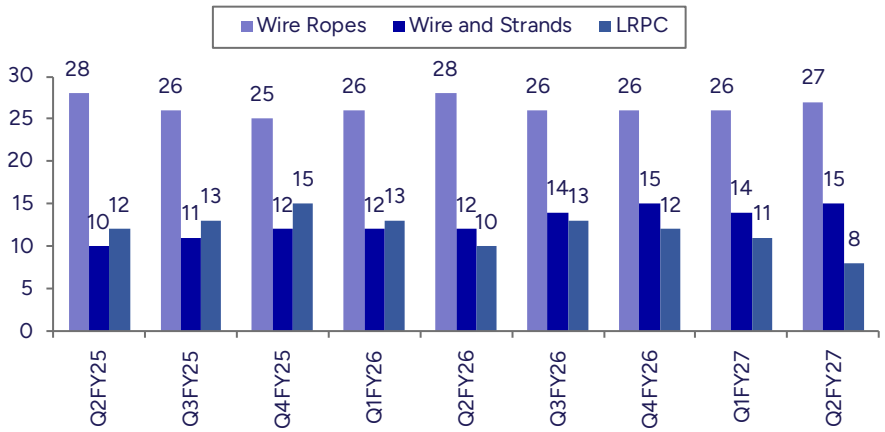
Source: Company, PL

Exhibit 6: NSR higher on pricing, richer product and geographic mix; Cons. EBITDA/t up 17% YoY



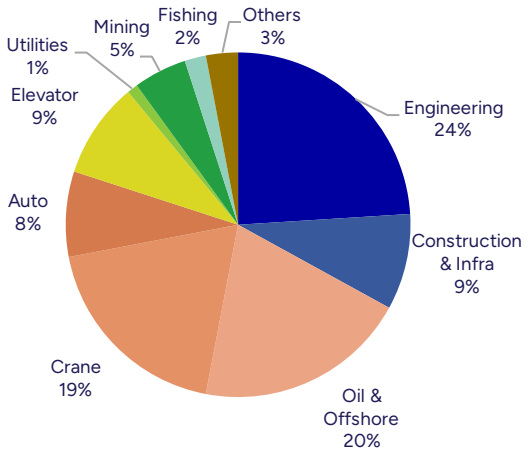
Source: Company, PL

Exhibit 7: Product wise volume breakup (ktpa). Total volumes: 50ktpa (flat YoY; -2% QoQ)



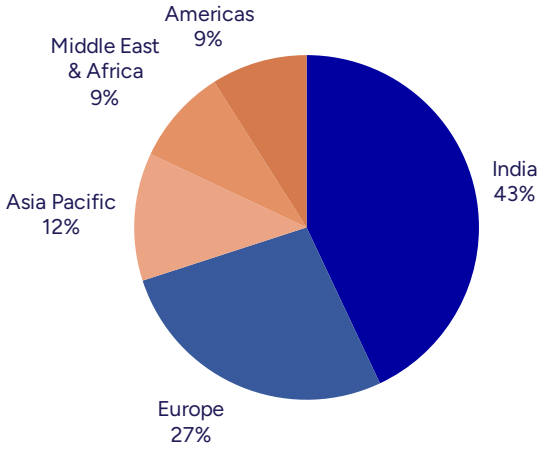
Source: Company, PL

Exhibit 8: End-user Industry mix (%)



Source: Company, PL

Exhibit 9: Geography-wise Revenue segmentation



Source: Company, PL

Exhibit 10: TP Calculation

	Sep'28 basis
PAT (INR mn)	7,249
Number of shares outstanding (bn) (FV: INR 1)	305.1
EPS (INR)	23.8
Target Multiple (x)	25
Target Price (INR)	**596**

Source: PL

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**36,911**	**41,822**	**46,252**	**51,824**
YoY gr. (%)	*6.2*	*13.3*	*10.6*	*12.0*
Cost of Goods Sold	18,675	21,078	23,357	26,275
Gross Profit	18,236	20,744	22,895	25,549
Margin (%)	*49.4*	*49.6*	*49.5*	*49.3*
Employee Cost	4,605	5,019	5,421	5,855
Other Expenses	6,580	7,330	8,060	9,031
EBITDA	**7,051**	**8,394**	**9,414**	**10,664**
YoY gr. (%)	*18.1*	*19.1*	*12.1*	*13.3*
Margin (%)	*19.1*	*20.1*	*20.4*	*20.6*
Depreciation and Amortization	1,164	1,291	1,404	1,529
EBIT	**5,887**	**7,103**	**8,010**	**9,134**
Margin (%)	*15.9*	*17.0*	*17.3*	*17.6*
Net Interest	196	110	96	76
Other Income	689	730	789	852
Profit Before Tax	**5,962**	**7,723**	**8,702**	**9,909**
Margin (%)	*16.2*	*18.5*	*18.8*	*19.1*
Total Tax	1,484	1,854	2,088	2,378
Effective Tax Rate (%)	*24.9*	*24.0*	*24.0*	*24.0*
Profit After Tax	**4,478**	**5,869**	**6,613**	**7,531**
Minority Interest	3	3	3	3
Share Profit from Associate	185	958	195	205
Adjusted PAT	**4,660**	**6,824**	**6,805**	**7,733**
YoY gr. (%)	*14.4*	*46.4*	*-*	*13.6*
Margin (%)	*12.6*	*16.3*	*14.7*	*14.9*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**4,660**	**6,824**	**6,805**	**7,733**
YoY gr. (%)	*14.4*	*46.4*	*-*	*13.6*
Margin (%)	*12.6*	*16.3*	*14.7*	*14.9*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,660	6,824	6,805	7,733
Equity Shares O/s (mn)	**305**	**305**	**305**	**305**
EPS (INR)	**15.3**	**22.4**	**22.3**	**25.3**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**24,855**	**25,855**	**28,825**	**30,275**
Tangibles	22,224	23,224	26,194	27,644
Intangibles	2,631	2,631	2,631	2,631
Acc: Dep / Amortization	**9,161**	**10,452**	**11,856**	**13,385**
Tangibles	7,428	8,719	10,123	11,652
Intangibles	1,733	1,733	1,733	1,733
Net Fixed Assets	**15,694**	**15,403**	**16,969**	**16,889**
Tangibles	14,796	14,505	16,071	15,991
Intangibles	898	898	898	898
Capital Work In Progress	891	1,841	871	1,771
Goodwill	552	552	552	552
Non-Current Investments	1,298	1,298	1,298	1,298
Net Deferred Tax Assets	(571)	(571)	(571)	(571)
Other Non-Current Assets	790	790	790	790
Current Assets				
Investments	-	-	-	-
Inventories	9,578	10,541	11,151	12,495
Trade Receivables	6,434	7,104	7,856	8,803
Cash & Bank Balance	4,778	8,118	11,485	14,374
Other Current Assets	1,157	1,157	1,157	1,157
Total Assets	**42,118**	**47,750**	**53,076**	**59,075**
Equity				
Equity Share Capital	305	305	305	305
Other Equity	32,714	38,165	43,323	49,161
Total Networth	**33,019**	**38,470**	**43,628**	**49,466**
Non-Current Liabilities				
Long Term Borrowings	241	91	91	91
Provisions	563	563	563	563
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	1,214	1,214	1,014	714
Trade Payables	3,110	3,437	3,802	4,260
Other Current Liabilities	2,633	2,633	2,633	2,633
Total Equity & Liabilities	**42,118**	**47,750**	**53,076**	**59,075**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	6,123	7,723	8,702	9,909
Add. Depreciation	1,164	1,291	1,404	1,529
Add. Interest	196	110	96	76
Less Financial Other Income	689	730	789	852
Add. Other	186	228	(593)	(647)
Op. Profit before WC Changes	7,669	9,352	9,609	10,869
Net Changes-WC	(310)	(1,305)	(998)	(1,832)
Direct Tax	(806)	(1,854)	(2,088)	(2,378)
Net Cash from Op. Activities	**6,553**	**6,194**	**6,522**	**6,658**
Capital Expenditures	(1,660)	(1,950)	(2,000)	(2,350)
Interest / Dividend Income	185	730	789	852
Others	(2,191)	-	-	-
Net Cash from Invt. Activities	**(3,667)**	**(1,220)**	**(1,211)**	**(1,498)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	(2,123)	(150)	(200)	(300)
Dividend Paid	(914)	(1,373)	(1,648)	(1,895)
Interest Paid	(179)	(110)	(96)	(76)
Others	-	-	-	-
Net Cash from Fin. Activities	**(3,215)**	**(1,633)**	**(1,944)**	**(2,271)**
Net Change in Cash	**(328)**	**3,340**	**3,367**	**2,889**
Free Cash Flow	4,573	4,244	4,522	4,308

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**9,171**	**9,793**	**10,330**	**10,000**
YoY gr. (%)	*6.6*	*9.3*	*16.4*	*10.2*
Raw Material Expenses	4,649	4,754	5,193	4,936
Gross Profit	4,522	5,039	5,137	5,064
Margin (%)	*49.3*	*51.5*	*49.7*	*50.6*
EBITDA	**1,759**	**2,115**	**2,080**	**2,019**
YoY gr. (%)	*23.3*	*51.6*	*43.8*	*16.7*
Margin (%)	*19.2*	*21.6*	*20.1*	*20.2*
Depreciation / Depletion	288	312	335	338
EBIT	**1,471**	**1,803**	**1,745**	**1,681**
Margin (%)	*16.0*	*18.4*	*16.9*	*16.8*
Net Interest	48	35	39	42
Other Income	41	267	86	105
Profit before Tax	**1,331**	**1,999**	**1,792**	**1,744**
Margin (%)	*14.5*	*20.4*	*17.3*	*17.4*
Total Tax	301	493	421	436
Effective Tax Rate (%)	*22.6*	*24.6*	*23.5*	*25.0*
Profit After Tax	**1,030**	**1,507**	**1,371**	**1,308**
Minority Interest	1	2	1	3
Share Profit from Associate	47	45	50	49
Adjusted PAT	**1,076**	**1,549**	**1,420**	**1,354**
YoY gr. (%)	*16.2*	*53.4*	*40.7*	*23.4*
Margin (%)	*11.7*	*15.8*	*13.7*	*13.5*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**1,076**	**1,549**	**1,420**	**1,354**
YoY gr. (%)	*16.2*	*53.4*	*40.7*	*23.4*
Margin (%)	*11.7*	*15.8*	*13.7*	*13.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**1,076**	**1,549**	**1,420**	**1,354**
Avg. Shares O/s (mn)	305	305	305	305
EPS (INR)	**3.5**	**5.1**	**4.7**	**4.4**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	15.3	22.4	22.3	25.3
CEPS	19.1	26.6	26.9	30.4
BVPS	108.2	126.1	143.0	162.1
FCF	15.0	13.9	14.8	14.1
DPS	3.8	4.5	5.4	6.2
Return Ratio (%)				
RoCE	18.0	19.1	19.0	19.2
ROIC	15.8	18.6	19.8	21.0
RoE	15.4	19.1	16.6	16.6
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	128	124	120	120
Valuation (x)				
PER	31.7	21.6	21.7	19.1
P/B	4.5	3.8	3.4	3.0
P/CEPS	25.3	18.2	18.0	15.9
EV/EBITDA	20.5	16.8	14.6	12.6
EV/Sales	3.9	3.4	3.0	2.6
Dividend Yield (%)	0.8	0.9	1.1	1.3
FCFF Yield (%)	3.1	2.9	3.1	2.9
PEG Ratio	2.2	0.5	(78.8)	1.4

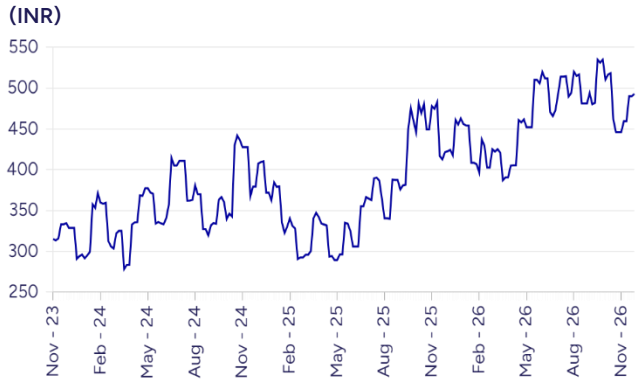
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Total Volumes (kt)	207	216	238	259
Blended NSR (INR/t)	178,312	193,283	194,604	200,455
Average EBITDA/t (INR)	34,062	38,795	39,608	41,247

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Oct-26	BUY	596	518
2	15-Sep-26	BUY	596	494
3	30-Jul-26	BUY	594	511
4	08-Jul-26	BUY	585	490
5	24-Jun-26	BUY	570	466

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Adani Port & SEZ	BUY	2248	1949
2	Aegis Vopak Terminals	BUY	323	240
3	Ambuja Cement	BUY	474	355
4	Dalmia Bharat	BUY	1970	1625
5	Hindalco Industries	BUY	1141	958
6	Jindal Stainless	BUY	829	687
7	Jindal Steel	BUY	1245	1016
8	JK Cement	BUY	6064	4889
9	JK Lakshmi Cement	BUY	665	470
10	JSW Cement	BUY	133	115
11	JSW Infrastructure	BUY	380	317
12	JSW Steel	BUY	1377	1186
13	National Aluminium Co.	BUY	385	318
14	NMDC	HOLD	83	73
15	Nuvoco Vistas Corporation	BUY	560	331
16	Shree Cement	BUY	28379	22375
17	Steel Authority of India	Accumulate	180	162
18	Tata Steel	Accumulate	215	190
19	Ultratech Cement	BUY	14623	10650
20	Usha Martin	BUY	596	518

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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