

Initiating Coverage

Choice
Institutional Equities

Monolithisch India Ltd.

Rising Secondary Steel Production; Rising Refractory Demand; MONOLITH at the Centre

Date: June 08, 2026

institutional.equities@choiceindia.com

Initiating Coverage | Sector: Metals and Mining

Monolithisch India Ltd. (MONOLITH)

June 08, 2026 | CMP: INR 647 | Target Price: INR 960

Expected Share Price Return: 48.6% | Dividend Yield: 0.0% | Expected Total Return: 48.6%

BUY



Company Information

MONOLITH India is a leading manufacturer of premixed ramming mass used in induction furnaces for the secondary steel industry. The company operates ~2.1 lakh MTPA capacity with ~81.5% utilisation in FY26 and is expanding capacity to ~5.74 lakh MTPA by Q1/Q2FY27. Its Purulia-based manufacturing facilities strategically cater to the eastern and central India steel clusters. The business benefits from recurring steel-linked consumable demand and improving margins driven by premium refractory products.

BB Code	MONOLITH
ISIN	INE1DV401010
Face Value (INR)	10.0
52 Week High (INR)	658.2
52 Week Low (INR)	219.5
Mkt Cap (INR Bn)	14.1
Shares o/s (Mn)	21.7
Free Float	25.8%

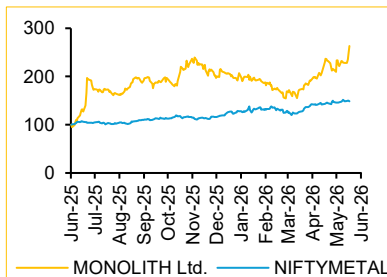
Shareholding Pattern (%)

	Mar-26	Dec-25	Sep-25
Promoters	74.27	74.24	74.00
FIs	1.31	1.33	2.00
DIs	2.61	2.37	2.00
Public	21.81	22.06	22.00

Relative Performance (%)

YTD	4 Month	8 Month	12 Month
MONOLITH	33.0	40.0	163.2
Nifty Metal	11.6	30.7	48.6

Rebased Price Performance



A Refractory-Led Play on India's Steel Capacity Expansion: India's crude steel production is expected to increase from 168.4 MnT in FY26 to 255 MnT by FY31, with the induction furnace (IF) route remaining a key contributor to growth. As **induction furnace steel production expands from 45.8 MnT to 69.4 MnT** during the same period, **demand for ramming mass — a critical refractory consumable used in induction furnaces — is expected to grow in tandem.**

With a **strong presence in Eastern India, which houses most of the country's IF steel capacity**, MONOLITH is well positioned to benefit from this structural demand growth. Unlike steel producers, whose earnings are influenced by commodity price movements, **MONOLITH's growth is primarily driven by steel production volumes**, providing a relatively visible and recurring demand outlook.

Structural Advantages Driving Market Share Gains: The market share expansion is supported by **three key structural catalysts: the formalisation of the unorganised sector, higher furnace throughput, which increases replacement demand and an ironclad logistics advantage.** By strategically locating its manufacturing base within the **Eastern India steel belt**, MONOLITH enjoys a **non-replicable freight cost advantage of INR 800–1,200 per tonne** versus western competitors, strengthening both its competitiveness and profitability.

Capacity Multiplication and Operating Leverage Propel Revenue Trajectory: MONOLITH is entering a new growth phase with **installed capacity increasing from ~2,10,000 MTPA to ~5,75,000 MTPA by early FY27.** The expanded capacity provides a platform for higher **production and sales volumes, which are expected to grow from 1,71,200 MT in FY26 to 4,87,300 MT by FY29E.**

Alongside volume growth, realisations are projected to improve, driven by a better product mix and favourable demand conditions. The combination of higher volumes and improving realisations is expected to **drive revenue growth from INR 1,353 Mn in FY26 to INR 4,532 Mn by FY29E.** As **utilisation levels increase to ~85% by FY29E**, operating leverage is expected to support further margin expansion, resulting in earnings growth outpacing revenue growth over the forecast period.

Target Price Derivation – EV/EBITDA Methodology: Based on our **EV/EBITDA valuation framework, we apply a 22x multiple to FY28E consolidated EBITDA of INR 926 Mn** to arrive at an EV of INR 20,374 Mn. We **derive a target price of INR 960 per share** and initiate coverage with a **BUY** rating, implying a **48.6% upside** from the current market price of INR 647.

Unpriced Optionality: Potential migration to the NSE Main Board, **geographical expansion beyond Eastern India and opportunities** for backward integration provide additional optionality beyond our forecasts. These initiatives could support higher earnings growth and valuation re-rating over time.

Key Risks: Capacity expansion execution delays, high customer concentration risk, elevated working capital cycle, competitive intensity and slower market share gains, SME market liquidity and valuation de-rating risk.

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Key Financials - IND AS

INR Mn	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	689	973	1,353	2,531	4,026	4,532
YoY (%)	64.5	41.3	39.0	87.1	59.1	12.6
EBITDA	129.6	210.8	319.6	556.8	926.1	1,087.7
YoY (%)	92.9	62.7	51.6	74.2	66.3	17.5
EBITDAM %	18.8	21.7	23.6	22.0	23.0	24.0
RPAT	85.1	143.6	230.3	379.9	651.7	769.3
EPS (INR)	5.3	9.0	10.6	17.5	30.0	35.4
ROE %	59.7	53.4	27.8	25.4	32.4	28.2
ROCE %	49.2	45.7	24.5	24.4	31.4	27.6
EV/EBITDA (x)	80.1	49.4	43.4	24.7	14.6	11.9

Source: MONOLITH, Choice Institutional Equities

Report Structure

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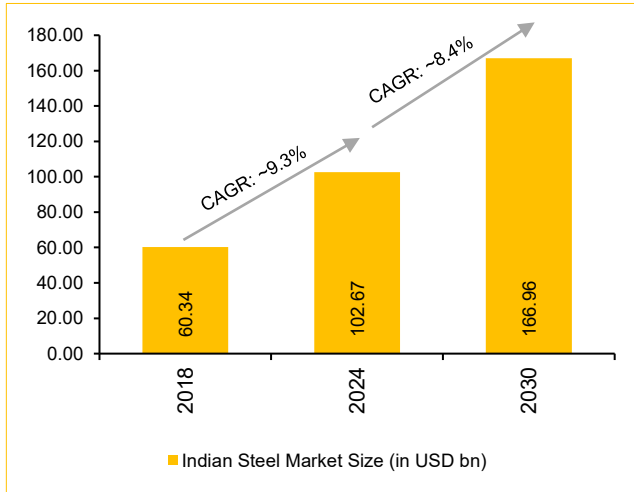


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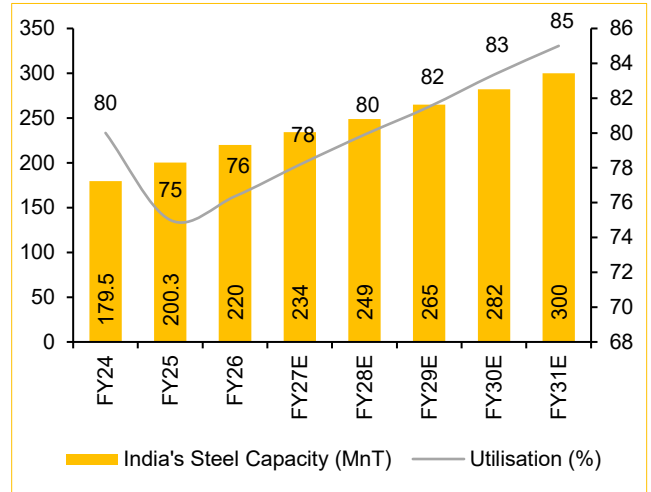
1.1 From Data to Alpha — The Thesis Unfolds

Scaling on Structural Demand Tailwinds



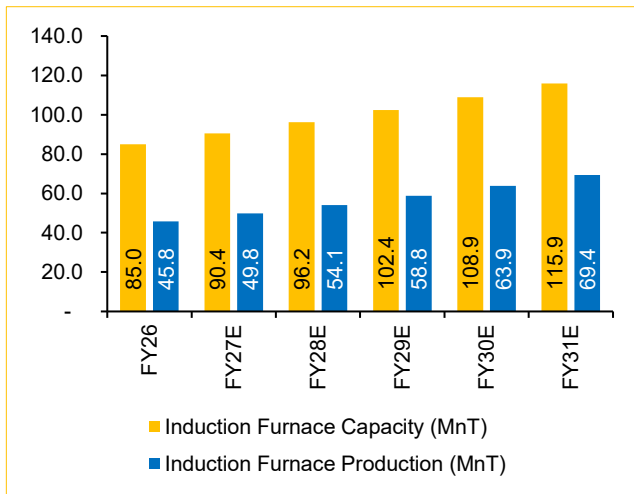
Source: ibef, Choice Institutional Equities

Capacity Creation and Production Growth to Drive India's Steel Aspirations



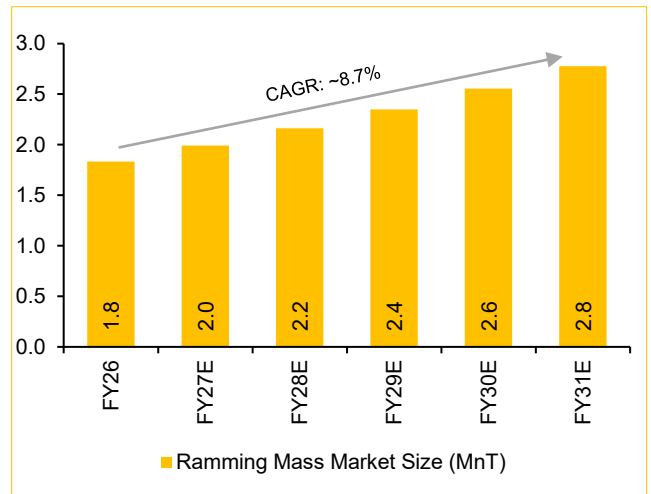
Source: MONOLITH, Choice Institutional Equities

Capacity Build-out Supports Higher Induction Furnace Production



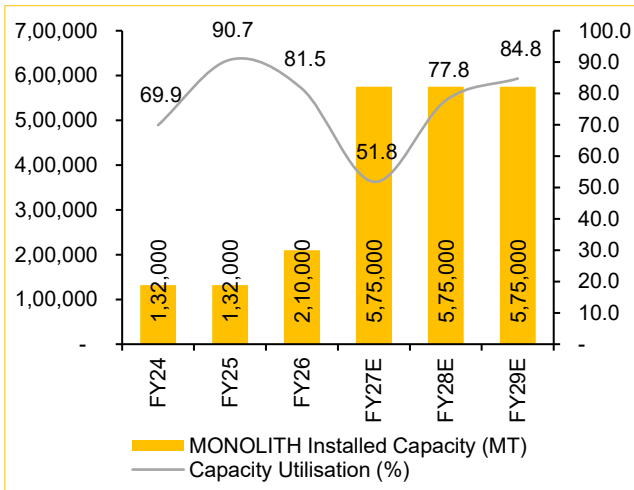
Source: MONOLITH, Choice Institutional Equities

Long-term Runway for the Ramming Mass Market



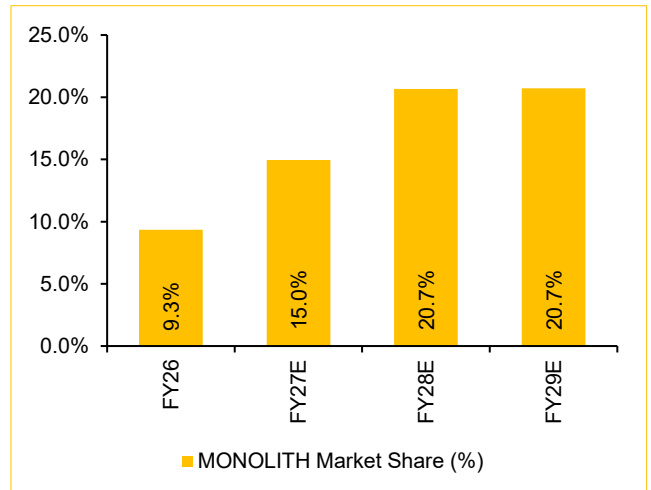
Source: MONOLITH, Choice Institutional Equities

Capacity Expansion: The Single Biggest Near-Term Catalyst



Source: MONOLITH, Choice Institutional Equities

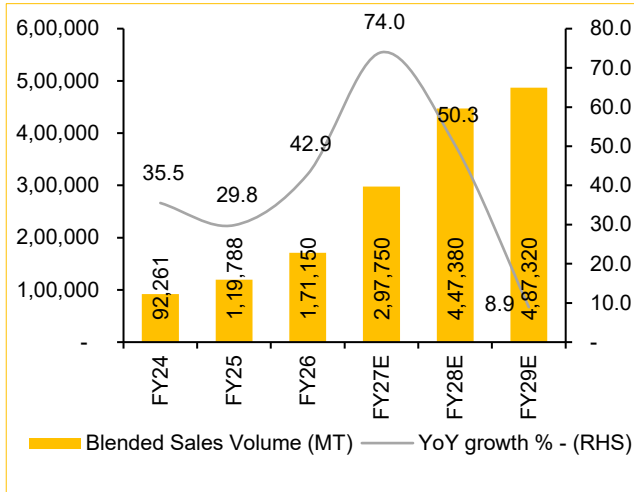
Structural Tailwinds Driving Market Share Gains



Source: MONOLITH, Choice Institutional Equities

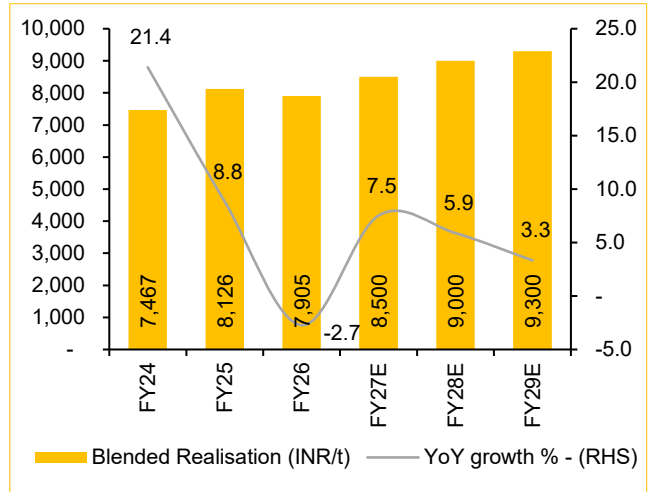
1.1 From Data to Alpha — The Thesis Unfolds

Volume Witnessing Strong Scale-up Driven by Capacity Expansion and Market Penetration



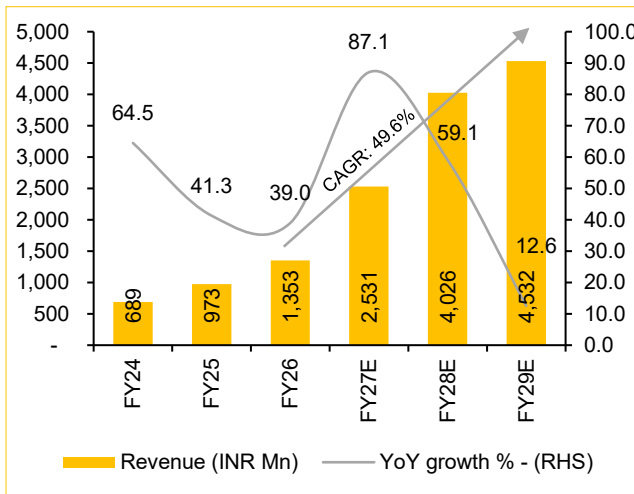
Source: ibef, Choice Institutional Equities

Pricing Strength Continues to Support Growth



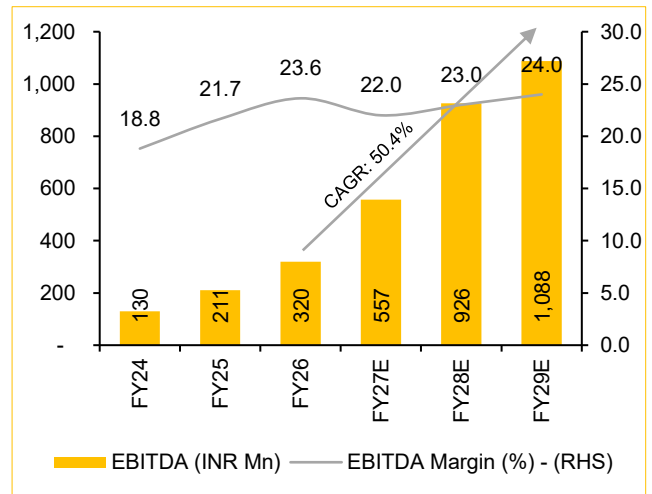
Source: MONOLITH, Choice Institutional Equities

Multi-year Revenue Growth Momentum Intact



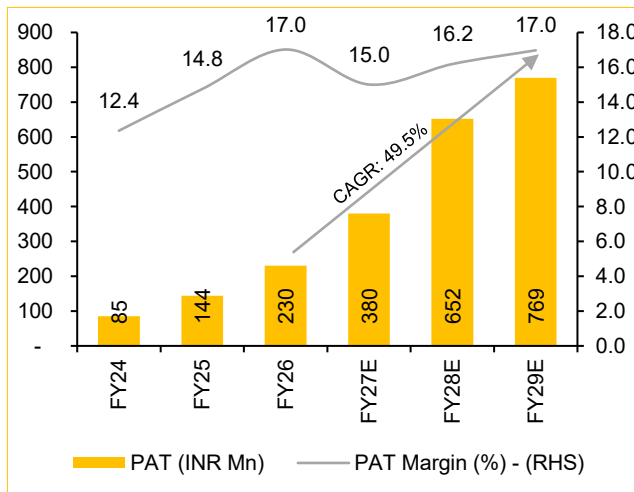
Source: MONOLITH, Choice Institutional Equities

EBITDA Trajectory Strengthens Materially Amid Sustained Business Scale-up



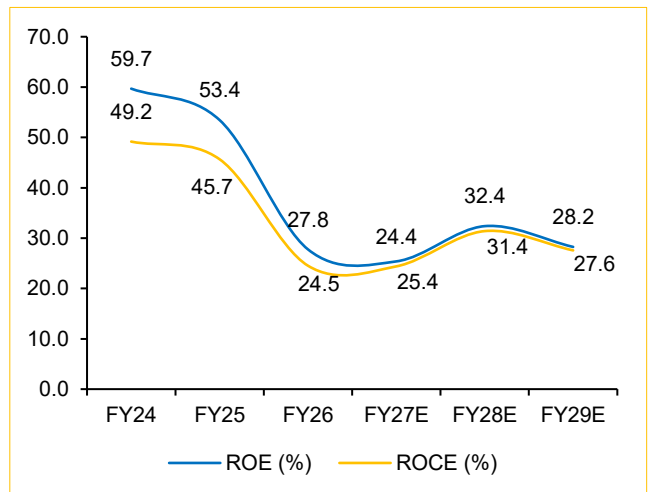
Source: MONOLITH, Choice Institutional Equities

Sharp PAT Expansion Underscores Improving Earnings Trajectory



Source: MONOLITH, Choice Institutional Equities

Exceptional Return Ratios on Capital Post IPO



Source: MONOLITH, Choice Institutional Equities

2.1 A Refractory-Led Play on India’s Steel Capacity Expansion

India’s crude steel production is expected to increase from 168.4 MnT in FY26 to 255 MnT by FY31, with the induction furnace (IF) route remaining a key contributor to growth. As **induction furnace steel production expands from 45.8 MnT to 69.4 MnT** during the same period, **demand for ramming mass — a critical refractory consumable used in induction furnaces — is expected to grow in tandem.**

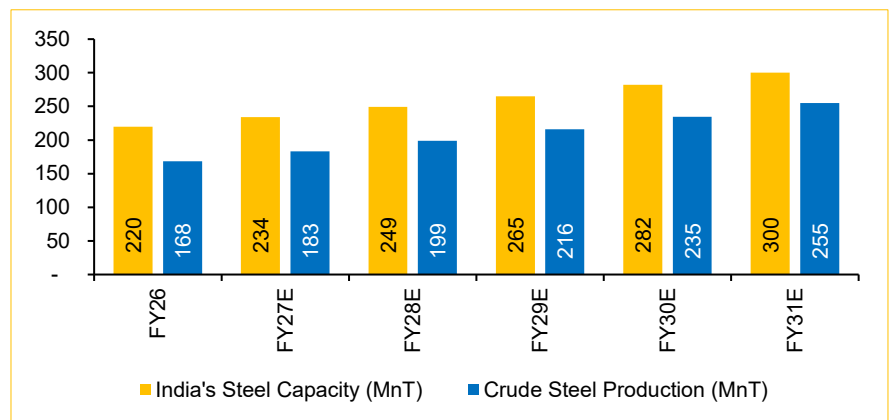
With a **strong presence in Eastern India, which houses most of the country’s IF steel capacity**, MONOLITH is well positioned to benefit from this structural demand growth. Unlike steel producers, whose earnings are influenced by commodity price movements, **MONOLITH’s growth is primarily driven by steel production volumes**, providing a relatively visible and recurring demand outlook.

The Macro Runway: ~24 MnT of Incremental IF Route Steel, Every Tonne a Refractory Sale

India’s crude steel production, driven by **growth in infrastructure, housing and industry**, is projected to rise, from 168.4 MnT in FY26 to 255 MnT by FY31, adding ~87 MnT of incremental output. Within this expansion, the **Induction Furnace (IF) route remains the backbone of India’s long-product steel capacity**, making it a key beneficiary of the steel supercycle.

In our view, this creates a strong and visible demand runway for critical consumables linked to IF steel production, providing volume-led growth visibility largely independent of commodity price fluctuations.

Capacity Creation and Production Growth to Drive India’s Steel Aspiration

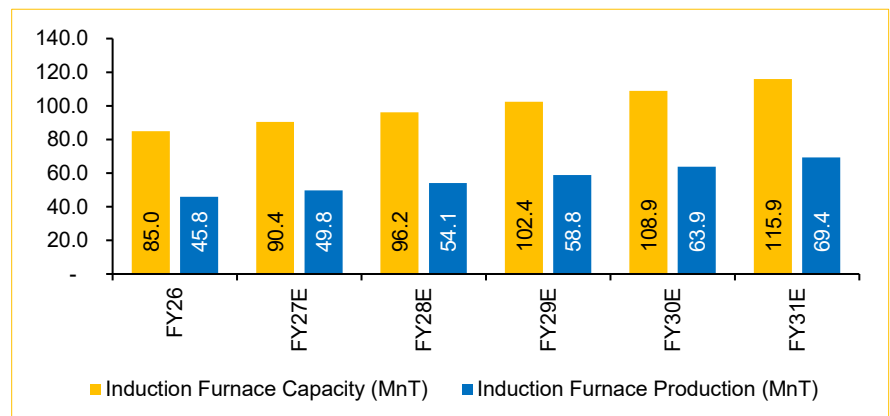


Source: MONOLITH, Choice Institutional Equities

The arithmetic is straightforward: IF steel production grows at 8.7% per annum, ramming mass demand grows in direct proportion. India’s total addressable market for ramming mass is projected to reach 2.78 MnT by FY31E, 1.5x of FY26 Volumes. Critically, this demand does not depend on steel price cycles — it depends on production volumes, which carry structural government policy support through India’s National Steel Policy (NSP) and the broader infrastructure investment mandate.

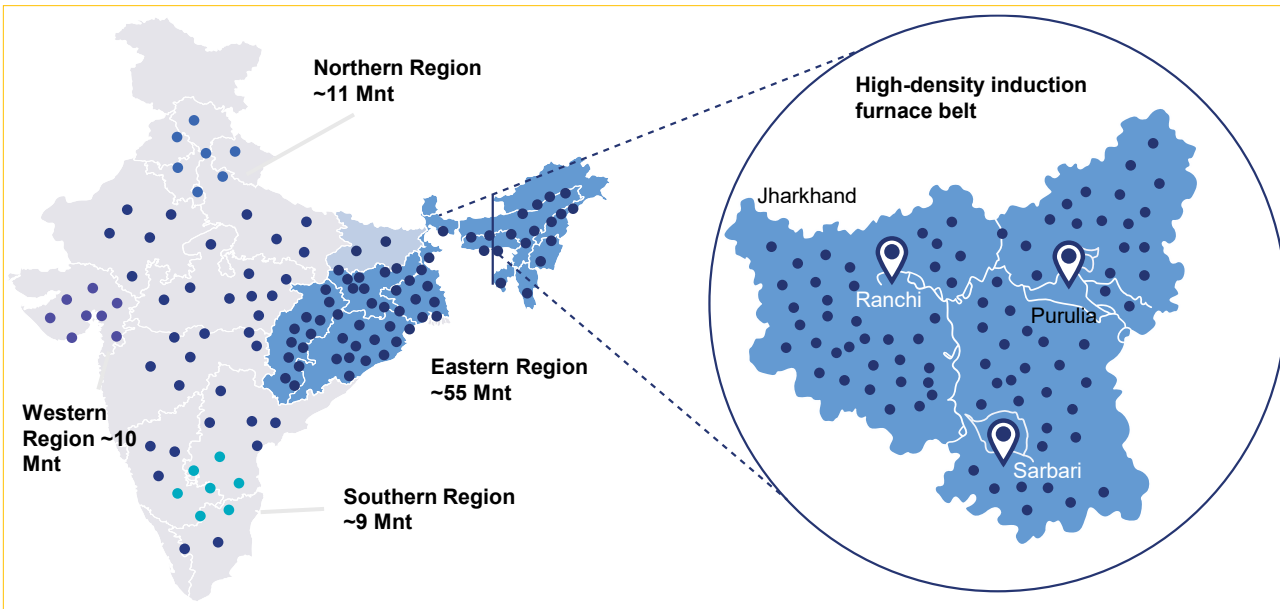
IF-route steel production is forecast to expand, from 45.8 MnT to 69.4 MnT, a robust **8.7% CAGR over FY26-FY31E**. Critically, **every 25 tonnes of induction furnace steel produced mandates the consumption of ~1 tonne of ramming mass**. This refractory requirement is **non-negotiable, non-substitutable and recurring with every operational cycle**. This single physical constant transforms India’s steel growth story into a quantifiable, repeatable demand engine for MONOLITH.

Capacity Build-out Supports Higher Induction Furnace Production



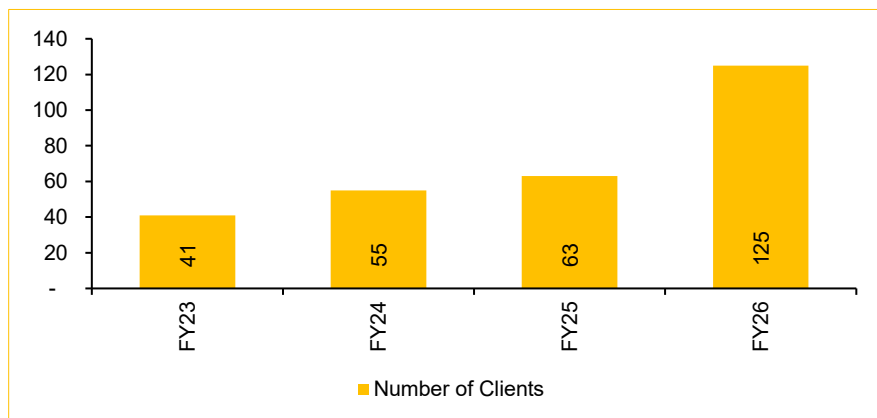
Source: MONOLITH, Choice Institutional Equities

2.1 A Refractory-Led Play on India's Steel Capacity Expansion



Source: MONOLITH, Choice Institutional Equities

Client Base Triples, Underscoring Strong Demand and Market Acceptance



Source: MONOLITH, Choice Institutional Equities

Eastern India: The Epicentre of India's IF Steel Belt — and MONOLITH's Home Turf

Eastern India is MONOLITH's strategic stronghold, housing ~55 MnT of India's ~85 MnT induction furnace (IF) steel capacity (FY26). **With plants in West Bengal and Jharkhand located at the heart of this cluster**, MONOLITH enjoys a **structural freight advantage of INR 800–1,200/tonne over western peers**. This proximity-driven edge has supported rapid customer expansion, with the client base growing, from 41 in FY23 to 125 in FY26 (45% CAGR).

MONOLITH offers a low-risk, volume-linked way to participate in India's long-term steel capacity expansion.

Investment View: Volume-driven Earnings, Not Price-dependent

MONOLITH offers an **earnings profile which is structurally linked to production volumes rather than commodity price spreads**. Unlike steel producers whose margin is perpetually exposed to the steel-scrap or steel-coking coal spread, MONOLITH's revenue is driven by tonnes of refractory sold, which is a direct function of tonnes of steel produced. This creates a visibility of demand which few peer-group companies can match.

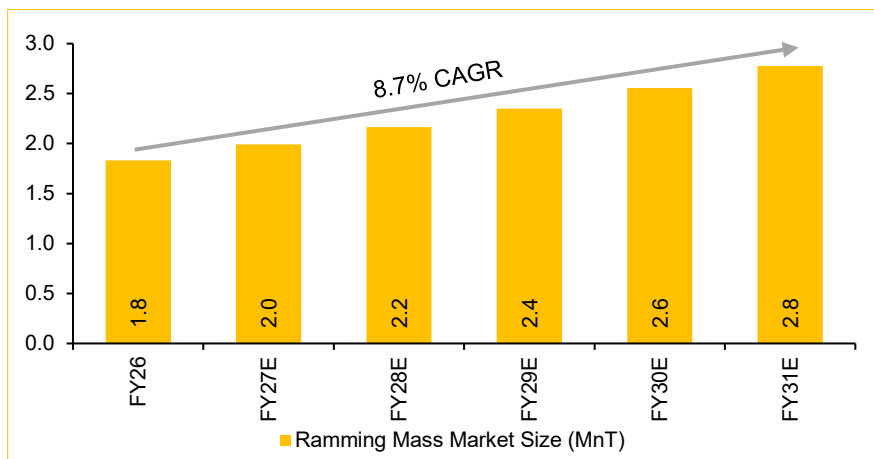
We believe MONOLITH offers a differentiated play on India's steel capacity expansion, supported by recurring demand, strong regional positioning, a growing customer base, and a steadily expanding market opportunity.

2.2 Structural Advantages Driving Market Share Gains

This market share expansion is supported by **three key structural catalysts: the formalisation of the unorganised sector, higher furnace throughput, which increases replacement demand and an ironclad logistics advantage.** By strategically locating its manufacturing base within the **Eastern India steel belt**, MONOLITH enjoys a **non-replicable freight cost advantage of INR 800–1,200 per tonne** versus western competitors, strengthening both its competitiveness and profitability.

We believe MONOLITH is entering a phase of sustainable, above-industry growth, supported by market share gains, strong customer stickiness, and a structural logistics advantage, which should translate into high earnings visibility and resilient profitability over the medium term

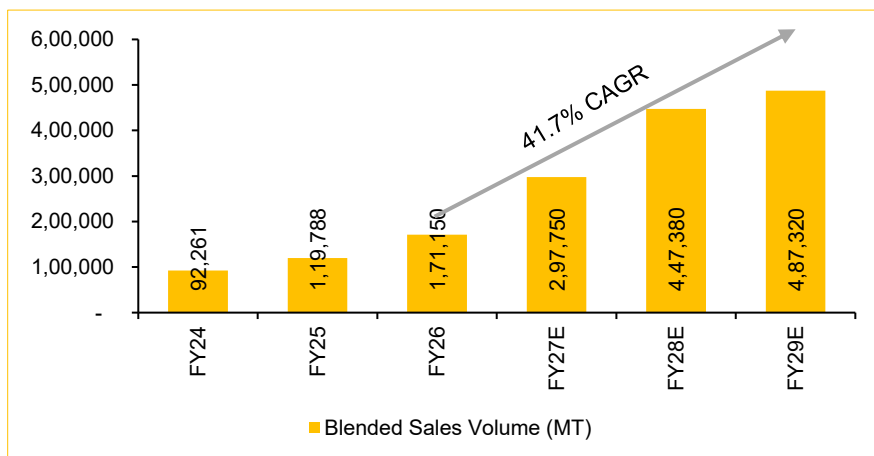
Long-term Growth Runway for the Ramming Mass Market



Source: MONOLITH, Choice Institutional Equities

MONOLITH's earnings growth framework operates on two independent levers which compound simultaneously: **(i) Industry volume growth** at 8.7% CAGR, and **(ii) Market share accretion** driven by formalisation dynamics, logistics advantages, quality differentiation and intensifying furnace utilisation. Together, these create an **earnings flywheel where neither lever is required to be extraordinary — their combination delivers above-market growth with below-market risk.**

Volume Growth + Market Share Accretion = Compounding Earnings Visibility



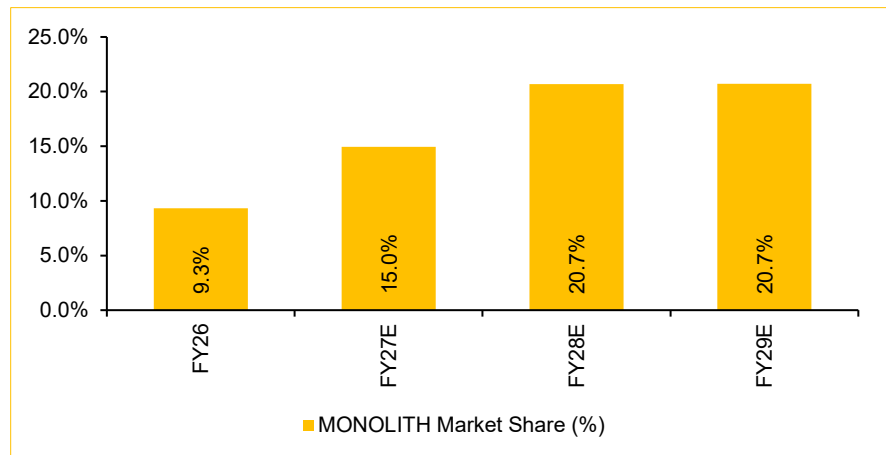
Source: MONOLITH, Choice Institutional Equities

Embedded Growth from Existing Customers: MONOLITH supplies to leading steel producers such as Rungta Group, Rashmi Metaliks, Shyam Steel, SRMB, Vandana Global, JSW and Sambhiv Steel. Ongoing capacity expansions by these customers provide strong demand visibility and embedded volume growth opportunities.

2.2 Structural Advantages Driving Market Share Gains

Market share expansion from 9.3% to 20.7% reflects strong competitive gains and increasing industry relevance, reinforcing the company's leadership position in its core market

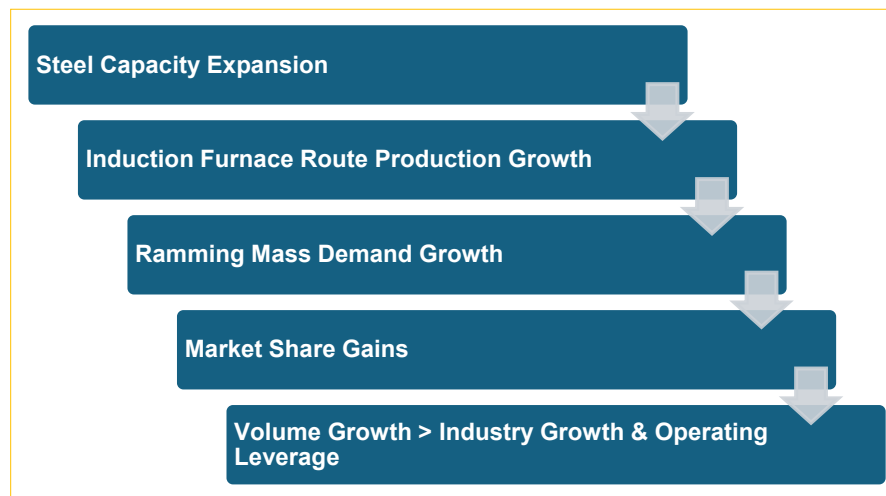
Structural Tailwinds Driving Market Share Gains



Source: MONOLITH, Choice Institutional Equities

Formalisation, freight-led cost advantage, and rising furnace intensity position MONOLITH to deliver sustainable market share gains and above-industry volume growth

The Flywheel: Industry Growth Compounded by Share Gain



Source: MONOLITH, Choice Institutional Equities

Three Structural Catalysts Driving Market Share Gains

Formalisation of the Unorganised Sector — A Structural Transfer of Demand: The ongoing shift from unorganised to organised refractory suppliers is creating a structural demand transfer opportunity. With proven product quality, technical expertise and strong customer relationships, MONOLITH is well-positioned to capture incremental market share as steelmakers increasingly prioritise consistency, furnace performance and operational reliability.

Freight Moat — INR 800–1,200/Tonne which Competitors Cannot Match: Strategically located within Eastern India's key steel-producing clusters, MONOLITH benefits from a structural freight cost advantage of ~INR 800–1,200/tonne versus distant competitors. Given the high freight sensitivity of ramming mass, this logistics edge enhances competitiveness, strengthens customer stickiness and creates a difficult-to-replicate regional moat.

Rising Furnace Intensity — Demand Growth Within the Existing Fleet: As induction furnace operators focus on maximising throughput, rising furnace utilisation is accelerating refractory wear and increasing replacement frequency. This drives higher ramming mass consumption per furnace, providing a steady volume growth lever independent of new steel capacity additions.

2.3 Capacity Multiplication and Operating Leverage Propel Revenue Trajectory

MONOLITH is entering a new growth phase with **installed capacity increasing from ~2,10,000 MTPA to ~5,75,000 MTPA by early FY27**. The expanded capacity provides a platform for higher **production and sales volumes, which are expected to grow from 1,71,200 MT in FY26 to 4,87,300 MT by FY29E**.

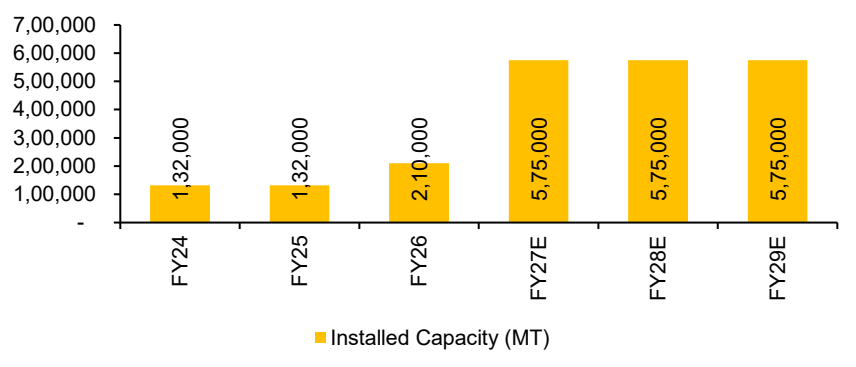
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Capacity Expansion: The Single-biggest Near-term Catalyst

MONOLITH currently operates at ~2,10,000 MTPA of installed capacity. **A transformational expansion to ~5,75,000 MTPA is under way, set for completion in early FY27**, effectively more than doubling productive capacity.

Volume growth is equally compelling — Total Production/Sales are projected to **scale up, from 1,71,200 MT in FY26 to 4,87,300 MT by FY29E, a CAGR of ~41.7%**, driven by rapid ramp-up across all three plants, particularly the greenfield Puluria facility **scaling up from 25% to 80% utilisation**. On the realisation front, pricing remains resilient and on an upward trajectory — **Realisation/T is expected to improve, from INR 7,905 in FY26 to INR 9,300 by FY29E** (CAGR of ~5.6%), reflecting a stable demand environment and the company's improving product mix.

We believe MONOLITH is entering a strong earnings upcycle, supported by a sharp capacity ramp-up, improving operating leverage and sustained demand visibility, which could materially enhance profitability from FY27E onwards



Source: MONOLITH, Choice Institutional Equities

Entering High-growth Phase Backed by Capacity Scale-up

Particulars (INR Mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	CAGR FY23-26	CAGR FY26-FY29E
Revenue	419	689	973	1,353	2,531	4,026	4,532	47.8%	49.6%
YoY Growth (%)	74.2	64.5	41.3	39.0	87.1	59.1	12.6		
Realisation/T (INR)	6,151	7,467	8,126	7,905	8,500	9,000	9,300	8.7%	5.6%
YoY Growth (%)	24.6	21.4	8.8	(2.7)	7.5	5.9	3.3		
Total Production/Sales (KMT)	68.1	92.3	119.8	171.2	297.8	447.4	487.3	36.0%	41.7%
Overall Utilisation (%)	87.3	69.9	90.7	81.5	51.8	77.8	84.8		
EBITDA	67	130	211	320	557	926	1,088	68.4%	50.4%
EBITDA Margin (%)	16.0	18.8	21.7	23.6	22.0	23.0	24.0		
EBITDA/T (INR)	987	1,405	1,760	1,868	1,870	2,070	2,232	23.7%	6.1%
YoY Growth (%)	26.4	42.4	25.3	6.1	0.1	10.7	7.8		
PAT	45	85	144	230	380	652	769	72.3%	49.5%
PAT Margin (%)	10.8	12.4	14.8	17.0	15.0	16.2	17.0		

Source: MONOLITH, Choice Institutional Equities

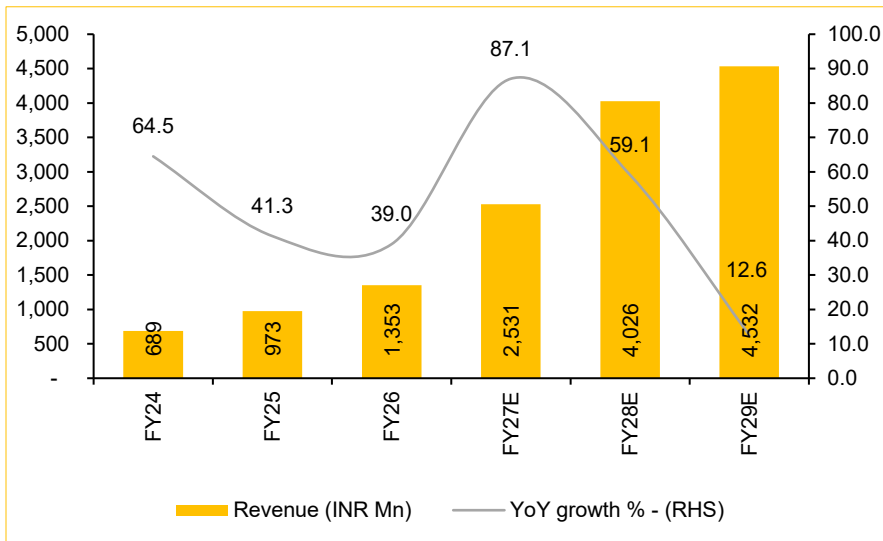
2.3 Capacity Multiplication and Operating Leverage Propel Revenue Trajectory

Revenue Geometry is Compelling

The **FY27E revenue estimate of INR 2,531 Mn** represents **87.1% YoY** jump — the single largest step-up in the model — coinciding with the year the expanded capacity becomes operational. This is not speculative; **the capex for expansion is already committed (Gross Block grew from INR 78 Mn in FY24 to INR 305 Mn in FY26)** and the Capital WIP of INR 110 Mn as of FY26 confirms ongoing investment. MONOLITH has also issued equity (INR 820.2 Mn raised in FY26, including IPO expense of INR 95.6 Mn) to fund this expansion with minimal debt stress — Loan Funds stand at just INR 65 Mn against a Net Worth of INR 1,307 Mn in FY26.c

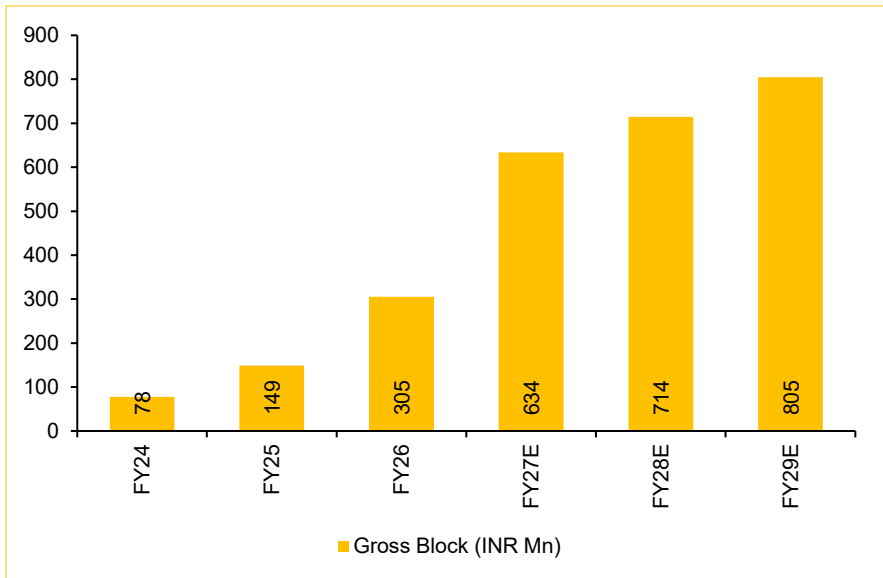
Strong revenue scale-up underscores robust demand visibility and execution-led growth trajectory

Multi-year Revenue Growth Momentum Intact



Source: MONOLITH, Choice Institutional Equities

Accelerated Capex Cycle Driving Structural Asset Build-up



Source: MONOLITH, Choice Institutional Equities

Aggressive gross block expansion reflects MONOLITH's strong capex-led growth strategy, positioning the company for larger scale, improved operating leverage and long-term revenue growth

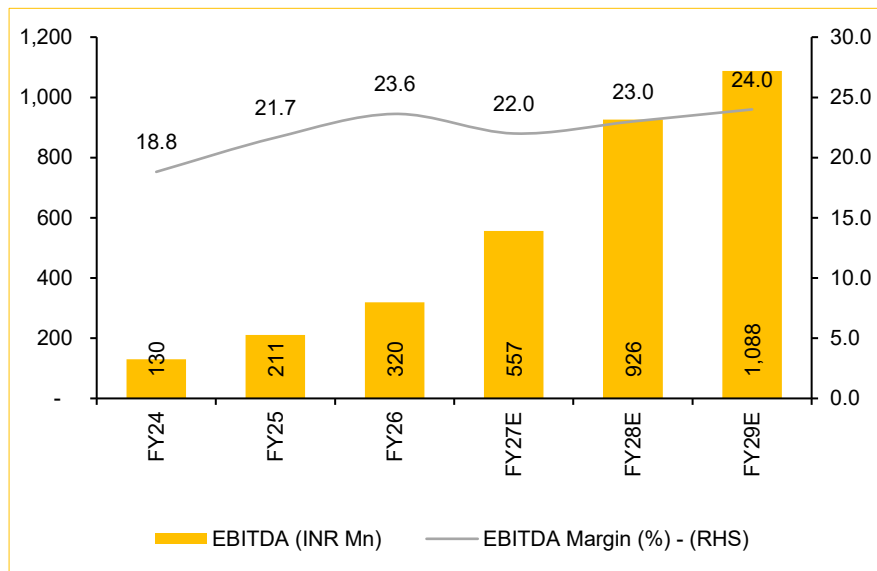
2.3 Capacity Multiplication and Operating Leverage Propel Revenue Trajectory

Operating Leverage: The Compounding Effect

MONOLITH's cost structure reveals a classic operating leverage story. **While revenue has grown ~5.6x from FY22 to FY26, EBITDA has risen ~8.4x over the same period** — meaning every 1% of incremental revenue growth is translating to disproportionately higher profit growth. **EBITDA margin has expanded steadily from 15.8% in FY22 to 23.6% in FY26, with model projection of 24% by FY29**, reflecting further operating leverage as the new capacity reaches optimal utilisation. PAT margin expanded even more sharply — from 10.4% in FY22 to 17.0% in FY26.

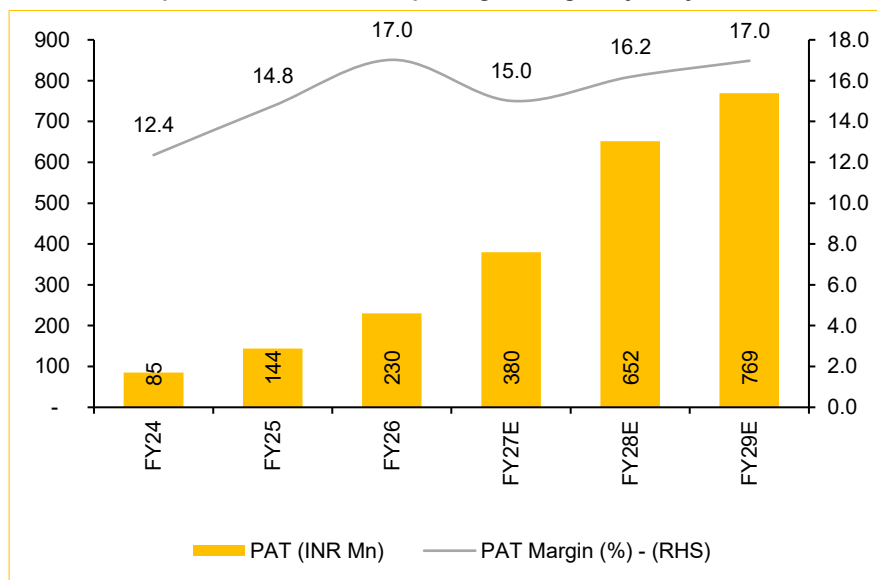
Consistent margin improvement despite aggressive revenue ramp-up highlights disciplined cost management and a healthy business mix

EBITDA Trajectory Strengthens Materially amid Sustained Business Scale-up



Source: MONOLITH, Choice Institutional Equities

Robust PAT Expansion Underscores Improving Earnings Trajectory



Source: MONOLITH, Choice Institutional Equities

2.3 Capacity Multiplication and Operating Leverage Propel Revenue Trajectory

Metrics Supporting Investment Thesis

Plant-wise Capacity Volumes (KMT)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	CAGR FY23-26	CAGR FY26-29E
Mineral India Global, Ranchi (Acquired & Optimised)	—	—	—	57.6	72.0	72.0	72.0	—	7.7%
Metalurgica India, Purulia (Greenfield)	—	—	—	—	253.0	253.0	253.0	—	0.0%
Standalone SARBARI, WB (Brownfield, since 2018)	78.0	132.0	132.0	152.4	250.0	250.0	250.0	25.0%	17.9%
Total Installed Capacity	78.0	132.0	132.0	210.0	575.0	575.0	575.0	39.1%	39.9%
Plant-wise Production/Sales Volumes (KMT)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	CAGR FY23-26	CAGR FY26-29E
Mineral India Global, Ranchi (Acquired & Optimised)	—	—	—	46.9	56.2	64.8	64.8	—	11.3%
Utilisation (%)	—	—	—	81.5%	78.0%	90.0%	90.0%	—	—
Metalurgica India, Purulia (Greenfield)	—	—	—	—	63.3	177.1	202.4	—	—
Utilisation (%)	—	—	—	—	25.0%	70.0%	80.0%	—	—
Standalone SARBARI, WB (Brownfield, since 2018)	68.1	92.3	119.8	124.2	178.3	205.5	220.1	22.2%	21.0%
Utilisation (%)	87.3%	69.9%	90.7%	81.5%	71.3%	82.2%	88.0%	—	—
Total Production/Sales	68.1	92.3	119.8	171.2	297.8	447.4	487.3	36.0%	41.7%
Overall Utilisation	87.3%	69.9%	90.7%	81.5%	51.8%	77.8%	84.8%	—	—
Financial Details (INR Mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	CAGR FY23-26	CAGR FY26-29E
Revenue	419	689	973	1,353	2,531	4,026	4,532	47.8%	49.6%
YoY (%)	74.2%	64.5%	41.3%	39.0%	87.1%	59.1%	12.6%	—	—
Realisation (INR/T)	6,151	7,467	8,126	7,905	8,500	9,000	9,300	8.7%	5.6%
YoY (%)	24.6%	21.4%	8.8%	-2.7%	7.5%	5.9%	3.3%	—	—
EBITDA	67	130	211	320	557	926	1,088	68.2%	50.4%
Margin (%)	16.0%	18.8%	21.7%	23.6%	22.0%	23.0%	24.0%	—	—
YoY (%)	76.7%	92.9%	62.7%	51.6%	74.2%	66.3%	17.5%	—	—
EBITDA (INR/T)	987	1,405	1,760	1,868	1,870	2,070	2,232	23.7%	6.1%
YoY (%)	26.4%	42.4%	25.3%	6.1%	0.1%	10.7%	7.8%	—	—

Source: MONOLITH, Choice Institutional Equities

3.1 Peer Analysis

Operating Metrics: Company Name (Consol)	Category	FY26							
		Domestic Installed Capacity (KMT)	Domestic Production (KMT)	Capacity Utilisation (%)	Domestic Sales (KMT)	Export Volume (KMT)	Blended Realisation per tonne (INR)	Blended EBITDA per tonne (INR)	Domestic Market share (%)
MONOLITH	Refractory (Ramming Mass)	210.0*	171.2	81.5%	171.2	0.0	7,905	1,868	9.3%
RRML*	Refractory (Ramming Mass)	414.0*	332.0	80.2%	252.0	80.0	7,743	2,266	13.8%

*Capacity to reach 575.0 KTP by FY27E for MONOLITH and for RRML, no further expansion is announced
 *RRML- Raghav Productivity and Enhancers

Source: Bloomberg, Choice Institutional Equities

Financial Metrics: Company Name (Consol)	3 years CAGR over FY23-FY26 (%)			EBITDA (%)	PAT (%)	FY26 ROE (%)	FY26 ROCE (%)	FY26 Total Asset Turnover (x)	D/E (x)
	Revenue	EBITDA	PAT						
MONOLITH	47.8%	68.2%	71.8%	23.6	17.0	27.8	24.5	1.4	0.05
RRML	23.2%	28.0%	29.5%	29.3	21.3	25.0	23.3	1.0	0.02
Average				26.4	19.2	26.4	23.9	1.2	0.04

Source: Bloomberg, Choice Institutional Equities

Valuation Statistics: Company Name (Consol)	CMP (INR)	MCap (in Mn)	FY26 EV (in Mn)	EV/SALES (x)	EV/EBITDA (x)	P/E (x)	P/B (x)	FY23-FY26 PEG ratio (x)
RRML	1,120	51,421	50,988	19.8	67.8	93.8	21.0	3.18
Average				15.0	55.6	77.5	15.9	

Source: Bloomberg, Choice Institutional Equities

3.2 Key Investor Questions Answered

Q1: The company is guiding for INR 2,500–3,000 Mn revenue in FY27 versus INR 1,350 Mn in FY26. What are the key growth drivers behind this sharp scale-up and how confident is management in execution?

Ans 1: The growth will primarily be driven by the commissioning of the Greenfield expansion, higher contribution from Metallurgica, strong traction in SGB Limited products and deeper penetration with existing steel customers. MONOLITH is already operating at ~81.5% utilisation in FY26 and expects the expanded capacities to ramp up steadily. Management confidence comes from strong demand visibility, customer approvals already in place and its strategic positioning in the eastern steel belt.

Q2: Management indicated that SGB Limited could contribute nearly 60% of MONOLITH sales going ahead. What makes this product structurally superior to existing offerings?

Ans 2: SGB Limited delivers 15–20% better lifespan compared to legacy products and offers 50–55 hours minimum heat assurance, which is a first-of-its-kind proposition in the industry. Customers are witnessing better furnace efficiency and lower downtime, which strengthens pricing power and improves customer stickiness. The response during trial campaigns has been extremely encouraging.

Q3: With the expanded consolidated capacity of ~5,76,000 MTPA, what is the peak revenue potential of the business over the medium term?

Ans 3: At current realisations of roughly INR 8.2/kg and 80–85% utilisation, the consolidated business can potentially generate INR 4,500–5,000 Mn revenue annually. Management believes this scale is achievable over the next couple of years as the Greenfield facility ramps up and customer acquisition accelerates.

Q4: EBITDA margin expanded sharply to ~28% in Q4 FY26. How sustainable are these margins as capacity ramps up?

Ans 4: Q4 margin benefited from better operating leverage, improved product mix led by SGB Limited and enhanced efficiencies from automation. While quarterly fluctuations may happen due to seasonality and freight dynamics, management remains confident of sustaining 22–25% EBITDA margins over the medium term.

Q5: Can management elaborate on the competitive advantages MONOLITH enjoys versus organised and unorganised players?

Ans 5: The biggest strengths lie in geographic positioning near key steel clusters in Eastern India, a strong raw material sourcing ecosystem, advanced manufacturing technology and premium product performance. MONOLITH also maintains high inventory availability, ensuring uninterrupted customer supply during volatile periods, which significantly strengthens customer relationships and market share gains.

3.2 Key Investor Questions Answered

Q6: The company continues to maintain a nearly debt-free balance sheet despite large expansion plans. How should investors think about capital allocation and working capital requirements ahead?

Ans 6: The **Greenfield capex is fully funded through IPO proceeds and internal accruals**. While working capital requirements may rise with scale, especially due to inventory stocking, management remains disciplined on leverage and intends to operate with minimal debt. Historically, maintaining inventory has also enabled the company to benefit from raw material inflation cycles and protect customer supply commitments.

Q7: How should investors interpret the increase in inventory levels during FY26? Is this temporary or structural?

Ans 7: The higher inventory is **largely strategic in nature**. Given geopolitical **uncertainties and volatility in additives, bags and imported raw materials, the company chose to maintain 2–4 months of inventory to avoid supply disruptions**. This approach has historically helped retain customer trust and avoid production stoppages even during difficult periods like COVID.

Q8: Over the next three years, what is the broader vision for MONOLITH beyond just revenue growth?

Ans 8: The vision is not only **to scale revenue from INR 1,300 Mn to INR 5,000 Mn over the next few years, but also to establish MONOLITH as a best-in-class player in refractory consumables**. Management intends to continuously improve operational efficiency, customer value proposition and shareholder returns, while selectively expanding into adjacent silica and refractory product opportunities.

Q9: How exposed is MONOLITH to raw material disruptions arising from Middle East geopolitical tensions?

Ans 9: MONOLITH maintains **2–4 months of inventory and diversified sourcing channels to mitigate supply-chain disruptions**. While freight and input costs may remain volatile, management believes the **impact on operations is manageable due to inventory buffers and procurement flexibility**.

Q10: What is the strategic rationale behind MONOLITH's proposed Rajasthan expansion?

Ans 10: The **Rajasthan facility will utilise existing machinery** being replaced by newer equipment, **enabling low-cost expansion into Western India**. This will improve customer proximity, lower freight costs and support market share gains in a growing steel-producing region.

Q11: How important is the emerging Gadchiroli steel cluster for MONOLITH's future growth?

Ans 11: Management sees **Gadchiroli as a significant long-term opportunity, with 50–60 induction furnace-based steel plants expected to be established in the region**. As a key consumable supplier to induction furnaces, MONOLITH is well positioned to benefit from the resulting increase in demand.

3.3 Key Insights from Plant Visit and Management Interaction

During our visit to MONOLITH's all three manufacturing facilities and interactions with the senior management team, we gained deeper insights into the company's expansion plans, product strategy, operational capabilities and long-term growth roadmap. The following are the key takeaways from our plant visit and management discussions.

Expansion and Capacity Growth

Massive Scale-up: Total group capacity is targeted to reach 576,000 MTPA by the end of Q1 or the beginning of Q2FY27

- **Massive Scale-up:** Total group capacity is targeted to reach **576,000 MTPA** by the end of Q1 or the beginning of Q2FY27
- **World-Class Infrastructure:** The upcoming Metalurgica Greenfield Project in West Bengal is designed to be the **world's largest single-campus sustainable ramming mass unit**
- **Significant Production Boost:** The Metalurgica facility alone will add approximately **252,000–254,000 MTPA** to the company's production base
- **Brownfield Optimisation:** The Ranchi unit in Jharkhand is being optimised with an immediate target to reach **72,000 MTPA**
- **Eastern India Dominance:** The company is strategically positioned to dominate the Eastern India steel cluster, which produces ~55 Mn tonnes of steel—more than all other Indian regions combined
- MONOLITH owns a land bank of 6–6.5 acres in Purulia (West Bengal), 15 acres in Sarbari (West Bengal) and 2 acres in Ranchi (Jharkhand).

Financial Guidance for FY27

Eastern India Dominance: The company is strategically positioned to dominate the Eastern India steel cluster, which produces ~55 Mn tonnes of steel—more than all other Indian regions combined

- **Strong Revenue Projections:** Management has provided a revenue guidance of **INR 2,500–3,000 Mn** for the full fiscal year 2027
- **Immediate Growth Targets:** Q1FY27 revenue is projected to reach **INR 520–550 Mn**, indicating high early-year momentum
- **Profitability Benchmarks:** EBITDA margins for FY27 are expected to be in the **22–25%** range
- **IPO Fund Utilisation:** Complete utilisation of IPO funds is expected to drive better profitability and sustainable growth in the coming years
- **Record-Breaking Trajectory:** Building on a record-breaking FY26, management expresses confidence in **scaling new heights every quarter**

Product Innovation and Market Strategy

Strong Revenue Projections: Management has provided a revenue guidance of **INR 2,500–3,000 Mn** for the full fiscal year 2027

- **Next-Gen Product Migration:** **60% of customers** are expected to migrate to the premium "SGB Limited" product from the flagship SGB-777 by Q1FY27
- **New Industry Benchmarks:** The "SGB Limited" product offers **52–55 hours minimum heat assurance**, setting a new performance standard for the industry
- **Margin Expansion Drivers:** The shift toward premium, high-performance offerings is expected to drive **better realisation and margin expansion**
- **Diversification into High-Value Products:** Management has identified future projects for **high-value silica-based products** to be undertaken following the greenfield project's completion
- **Expanding Land Bank:** The company is expanding its land at the greenfield campus to accommodate these future high-value product lines





Industry Alignment and Sustainability

- **Solar-Powered Innovation:** The new Metalurgica plant will be **powered by solar energy**, positioning the company as a leader in sustainable manufacturing
- **India Steel Supercycle:** MONOLITH is positioned as a core consumable provider for India's goal of reaching **300 MT steel capacity by FY31**
- **Rising Secondary Steel Share:** The company is set to benefit from the increasing share of Induction Furnaces, projected to reach **35% of production by FY31**
- **Increased Consumable Demand:** Future trends toward higher furnace intensity (more heats per furnace) will lead to **increased refractory consumption per tonne of steel**
- **Strategic Clustering:** By locating plants within the highest-demand clusters, the company is prepared to capture the **40 MT annual capacity addition** expected in the Indian steel industry

3.3 Key Insights from Plant Visit and Management Interaction



3.4 SWOT Analysis

 Strengths	 Weaknesses	 Opportunities	 Threats
<p>Strong positioning in specialised ramming mass used in induction furnace steelmaking</p> <p>Healthy profitability profile supported by high ROE and ROCE versus peers</p> <p>Long-standing relationships with steel manufacturers across eastern India</p> <p>Asset-light and efficient operating model enabling strong cash generation</p>	<p>High dependence on the steel sector and the induction furnace route demand</p> <p>Geographical concentration with significant exposure to eastern India markets</p> <p>Limited product diversification compared to larger refractory players</p> <p>A smaller scale of operations may restrict bargaining power with large customers</p>	<p>Rising domestic steel production supporting refractory consumption growth</p> <p>Capacity expansion can drive operating leverage and market share gains</p> <p>Increasing shift toward organised refractory suppliers from unorganised players</p> <p>Export opportunities in neighbouring steel-producing regions</p>	<p>Volatility in raw material prices, especially quartzite and energy costs</p> <p>Intense competition from established refractory and ramming mass manufacturers</p> <p>Slowdown in steel demand or lower furnace utilisation impacting volumes</p> <p>Technological shifts in steelmaking processes</p>

MONOLITH Distinct Strengths Vs Competitors

MONOLITH maintains a competitive edge through its strong return ratios, integrated manufacturing capabilities, and deep customer relationships with leading steel players

MONOLITH Distinct Weaknesses Vs Competition

Higher customer concentration risk compared to diversified peers, making earnings more vulnerable to demand fluctuations from key clients

MONOLITH Distinct Opportunities Vs Competition

Well-positioned to capture a larger share of the growing domestic refractory market through aggressive expansion and reduced dependence on imports compared to competitors

MONOLITH Distinct Threats Vs Competitors

Intense competition from larger integrated refractory players with stronger scale, broader product portfolios and deeper customer relationships could pressure margins and market share

3.5 View and Valuation

Valuation (Consol)	FY26	FY27E	FY28E	FY29E
EBITDA	320	557	926	1,088
Multiple (x)	22.0	22.0	22.0	22.0
EV	7,032	12,249	20,374	23,929
NetDebt/(Cash)	(206)	(307)	(528)	(1,133)
Mcap	7,238	12,556	20,902	25,062
Shares o/s (Mn)	21.7	21.7	21.7	21.7
Fair Value per share (INR)	333.0	577.7	960.0	1,153.0
TP (INR/sh)			960	
Upside (%) from CMP INR 647			48.6%	

Source: MONOLITH, Choice Institutional Equities

Target Price Derivation – EV/EBITDA Methodology

Based on our **EV/EBITDA valuation framework**, we apply a **22x multiple** to FY28E consolidated **EBITDA of INR 926 Mn** to arrive at an EV of INR 20,374 Mn. We **derive a target price of INR 960 per share** and initiate coverage with a **BUY** rating, implying a **48.6% upside** from the current market price of INR 647.

We assign a **22x FY28E EV/EBITDA multiple** to MONOLITH, at a discount to the peer group's historical 1-year forward trading range (mean: 24.6x; median: 25.6x), reflecting its leadership in silica ramming mass, strong earnings growth visibility (with EBITDA expected to nearly triple over FY26–28E), net cash balance sheet, and favourable industry tailwinds from induction furnace steel capacity expansion. The discount factors in capacity ramp-up execution and the company's relatively recent SME listing. Our valuation does not incorporate potential upside from migration to the NSE Main Board, backward integration into key raw materials, or geographic expansion into Western India, which could drive further re-rating and earnings growth over the medium term.

SME Listing Premium / Graduation Optionality

The company is newly listed (June 2025) on the NSE SME platform. As the company's market capitalisation grows and financials track the projected trajectory, migration to the NSE Main Board becomes a realistic scenario within 2–3 years. Historically, SME-to-Main Board migrations have catalysed meaningful re-rating events as larger institutional investors — currently unable to hold SME-listed stocks — can participate. This optionality is not priced into current valuations.

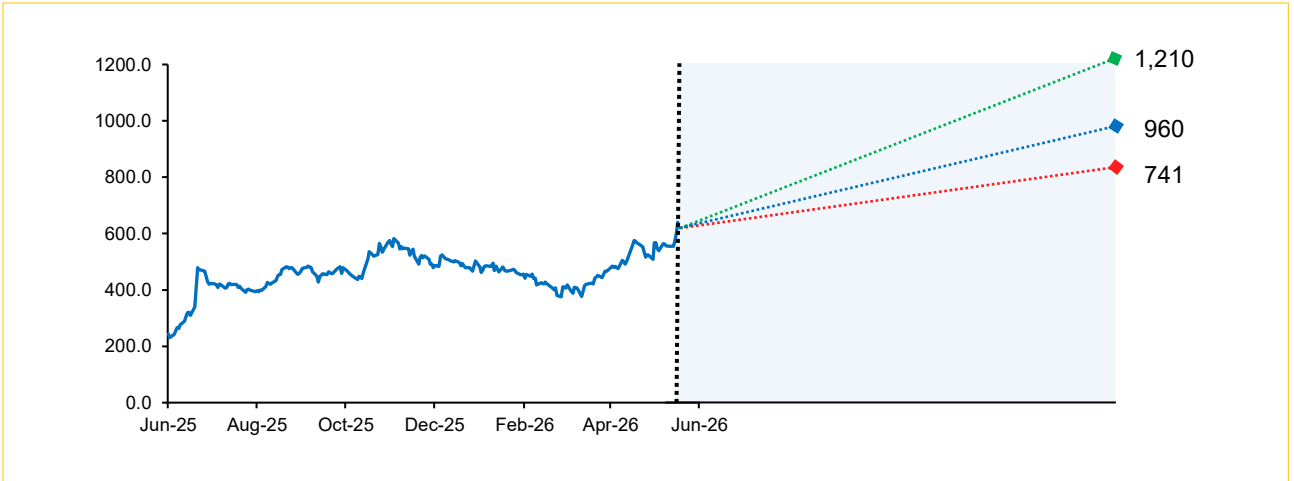
Backwards Integration Opportunity

The company remains dependent on external sourcing of key raw materials. Any successful acquisition of mineral resources through government auctions or strategic arrangements could strengthen raw material security, reduce procurement costs and support margin expansion over the long term.

Expansion into Western India

MONOLITH's current operations are concentrated in Eastern India, which is the largest induction furnace steel cluster in the country. Expansion into western India could diversify its customer base, increase market reach and create an additional avenue for volume growth beyond our current estimates.

3.6 Bull / Bear Case



Key Operating Metrics	Bear Case			Base Case			Bull Case		
Metric	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
A. IRON ORE									
Sales Volume (MT)	2,53,088	3,80,273	4,14,222	2,97,750	4,47,380	4,87,320	3,42,413	5,14,487	5,60,418
Realisation (INR/T)	7,650	8,100	8,370	8,500	9,000	9,300	9,350	9,900	10,230
EBITDA / T (INR/T)	1,683	1,863	2,009	1,870	2,070	2,232	2,057	2,277	2,455
Metric (INR Mn)	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
TOTAL NET REVENUE	1,936	3,080	3,467	2,531	4,026	4,532	3,202	5,093	5,733
TOTAL EBITDA	426	708	832	557	926	1,088	704	1,171	1,376
EBITDA Margin %	22.0%	23.0%	24.0%	22.0%	23.0%	24.0%	22.0%	23.0%	24.0%
TP @ 20x	406	676	818	526	876	1,053	662	1,102	1,318
TP @ 22x	445	741	894	578	960	1,153	727	1,210	1,445
TP @ 24x	484	807	971	629	1,047	1,253	792	1,318	1,571

Source: MONOLITH, Choice Institutional Equities

4.1 Financials and Ratio Analysis

Income Statement (Consolidated INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	973	1,353	2,531	4,026	4,532
Gross Profit	559	735	1,367	2,194	2,493
EBITDA	211	320	557	926	1,088
Depreciation	15	24	46	51	57
EBIT	196	296	511	875	1,031
Other Income	-	17	2	3	5
Interest Expenses	3	4	4	4	4
PAT	144	230	380	652	769
EPS (INR)	9.0	10.6	17.5	30.0	35.4

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenue	41.3	39.0	87.1	59.1	12.6
EBITDA	62.7	51.6	74.2	66.3	17.5
PAT	68.7	60.4	65.0	71.6	18.0
Margins (%)					
EBITDA	21.7	23.6	22.0	23.0	24.0
EBIT	20.1	21.9	20.2	21.7	22.7
PAT	14.8	17.0	15.0	16.2	17.0
Profitability (%)					
ROE	53.4	27.8	25.4	32.4	28.2
ROIC	46.1	28.9	30.7	40.9	40.6
ROCE	45.7	24.5	24.4	31.4	27.6
Valuation					
Mcap/Sales (x)	15.0	10.6	10.4	5.6	3.5
EV/EBITDA (x)	49.4	43.4	24.7	14.6	11.9
P/BV (x)	29.4	10.8	8.3	6.0	4.5
Working Capital Days					
Debtors Days	72.1	62.7	61.8	61.8	61.8
Inventories Days	127.5	226.0	111.8	111.8	111.8
Creditors Days	52.5	21.3	31.3	31.3	31.3
Working Capital Cycle Days	147.1	267.5	142.3	142.3	142.3

Balance Sheet (Consolidated INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Tangible Fixed Assets	116	249	532	562	595
Capital WIP	-	110	-	-	-
Goodwill	1	36	36	36	36
Investments	-	70	70	70	70
Cash & Cash Equivalents	4	271	371	593	1,198
Loans Advance & Other Assets	52	103	103	103	103
Inventories	145	382	357	561	625
Debtors	192	232	428	681	767
Total assets	509	1,453	1,897	2,606	3,393
Shareholder's Funds	352	1,307	1,687	2,339	3,108
Deferred Tax	-	-	-	-	-
Borrowings	74	65	65	65	65
Trade Payables	60	36	100	157	175
Other Liabilities & Provisions	23	46	46	46	46
Total equity & liabilities	509	1,453	1,897	2,606	3,393

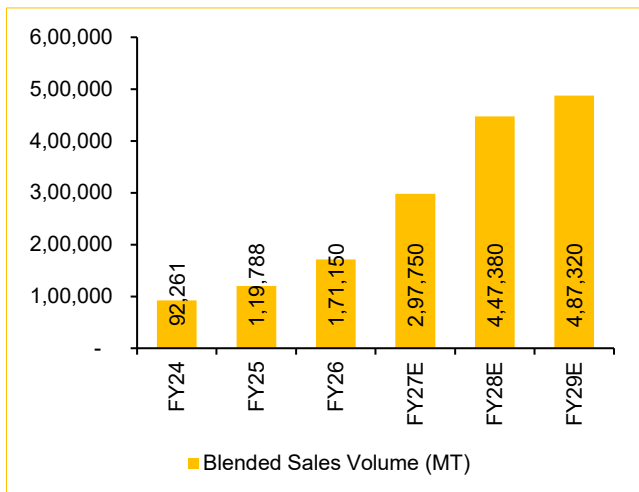
Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	40	138	321	304	694
Cash Flows from Investing	(105)	(539)	(217)	(78)	(86)
Cash Flows from Financing	65	624	(4)	(4)	(4)

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
ROE (%)	53.4	27.8	25.4	32.4	28.2
Tax Burden (x)	0.75	0.75	0.75	0.75	0.75
Interest Burden (x)	0.98	1.04	1.00	1.00	1.00
EBITM (%)	20.1	21.9	20.2	21.7	22.7
Asset Turnover (x)	2.5	1.4	1.5	1.8	1.5
Equity Multiplier (x)	1.5	1.2	1.1	1.1	1.1
DuPont Analysis (%)	53.4	27.8	25.4	32.4	28.2

Source: MONOLITH, Choice Institutional Equities

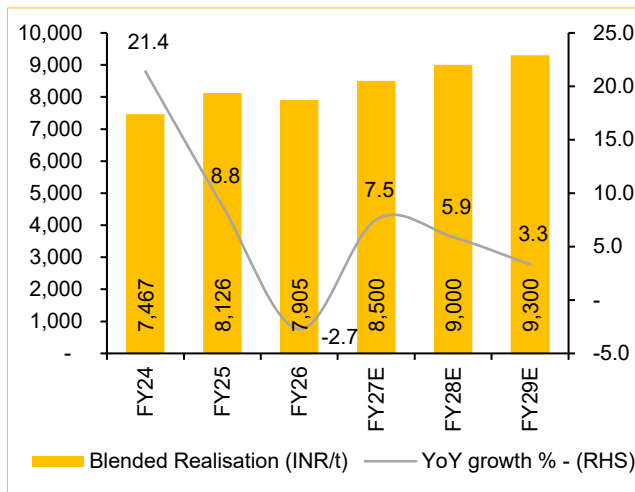
4.2 Graphs and Trends

Volume Witnessing Strong Scale-up Driven by Capacity Expansion and Market Penetration



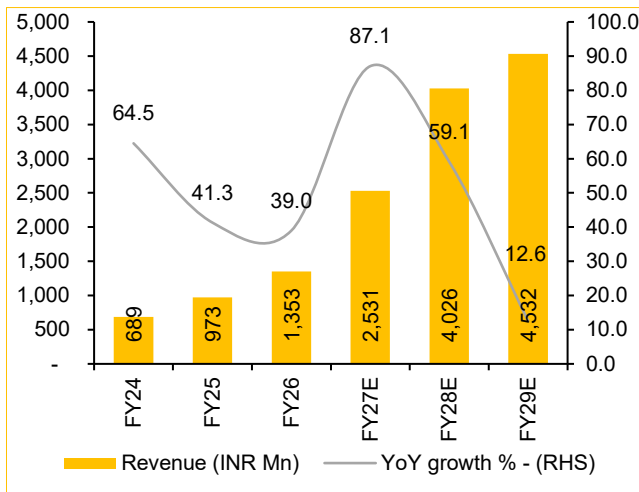
Source: MONOLITH, Choice Institutional Equities

Pricing Strength Continues to Support Growth



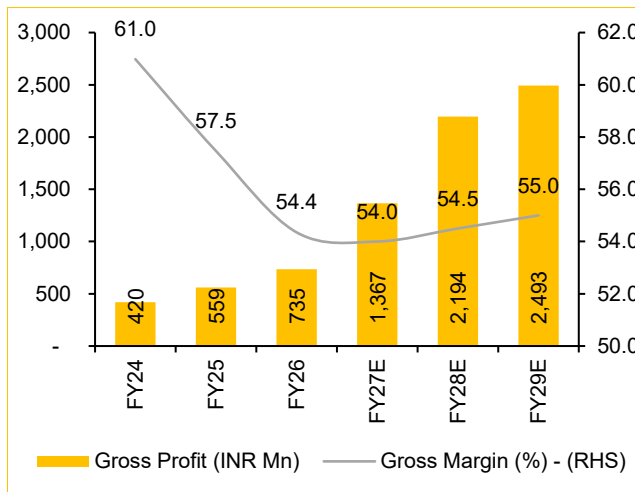
Source: MONOLITH, Choice Institutional Equities

Multi-year Revenue Growth Momentum Intact, Backed by Strong Volume



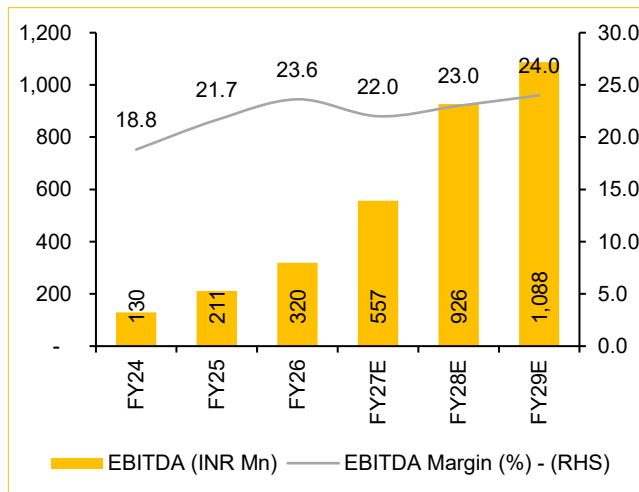
Source: MONOLITH, Choice Institutional Equities

Gross Profit Scaling-up with Operating Leverage Benefits



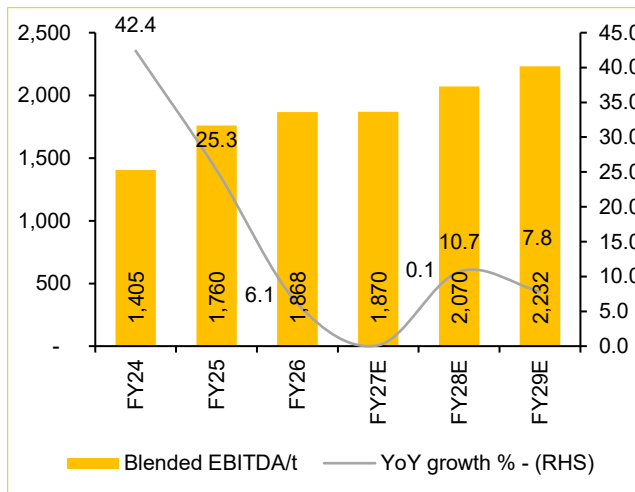
Source: MONOLITH, Choice Institutional Equities

EBITDA Trajectory Strengthens Materially Amid Sustained Business Scale-up



Source: MONOLITH, Choice Institutional Equities

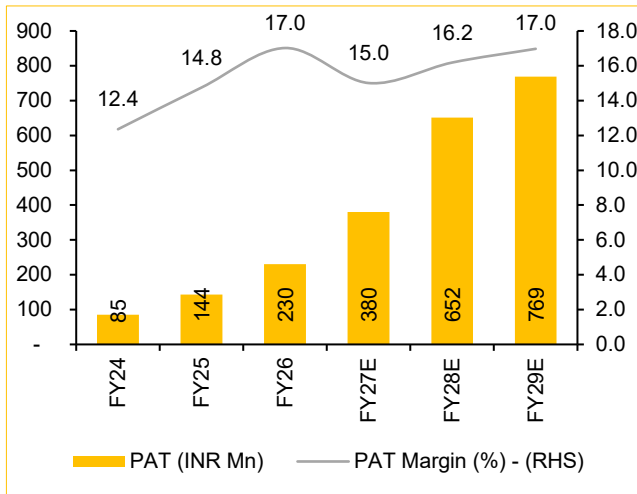
Blended EBITDA/t Expansion Supported by Better Cost Absorption



Source: MONOLITH, Choice Institutional Equities

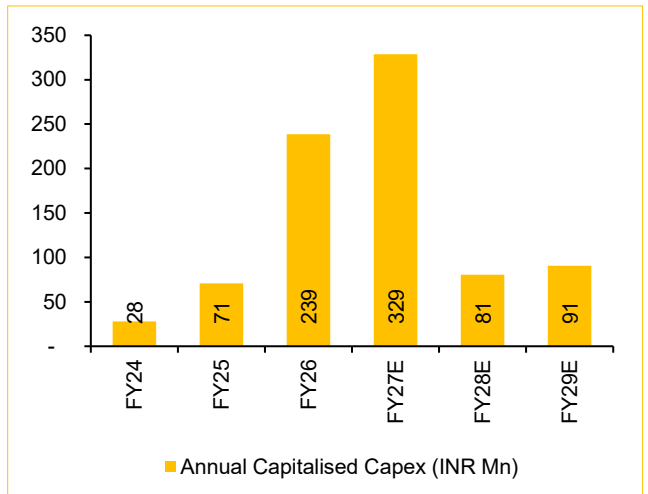
4.2 Graphs and Trends

Sharp PAT Expansion Underscores Improving Earnings Trajectory



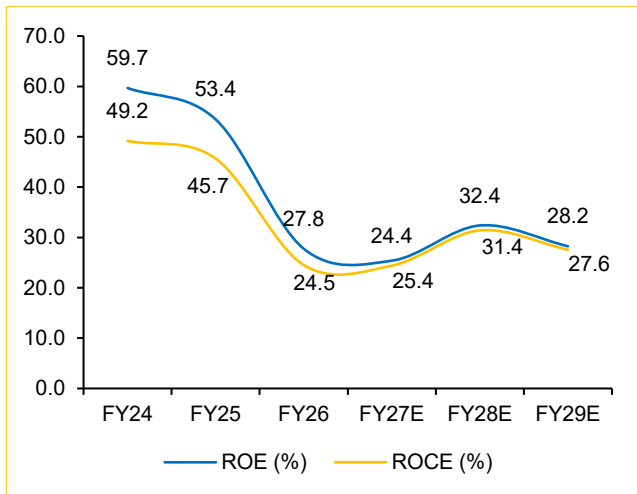
Source: MONOLITH, Choice Institutional Equities

Disciplined Capex Allocation Supports Long-term Growth



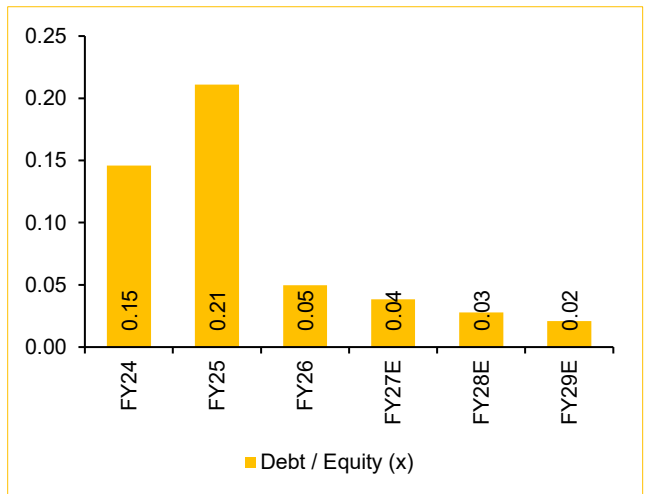
Source: MONOLITH, Choice Institutional Equities

Exceptional Returns on Capital Post IPO



Source: MONOLITH, Choice Institutional Equities

Healthy Deleveraging Reflects Strong Cash Generation



Source: MONOLITH, Choice Institutional Equities

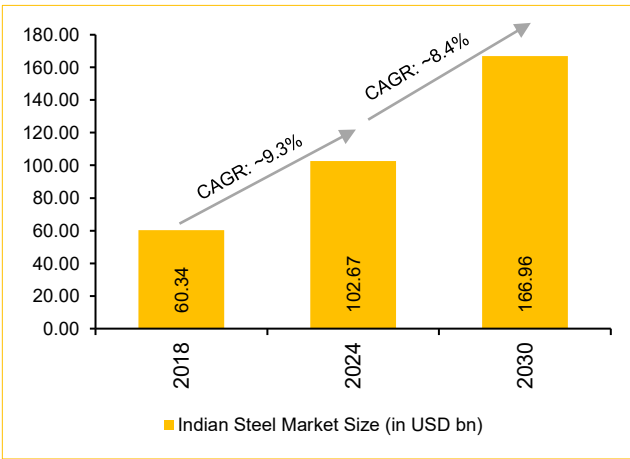
5.1 India Steel: Entering a Multi-Decade Upcycle, Near-Term Supported by Policy

India continues to strengthen its position as a global steel powerhouse, retaining its status as the **second-largest crude steel producer globally**, supported by sustained capacity additions and robust domestic demand.

Strong Operating Momentum	Structural Growth Intact	Policy-Driven Visibility & Value Chain Upgradation	Near-Term Marfin Support and View
<ul style="list-style-type: none"> India remains the 2nd largest global crude steel producer, with FY25 crude steel at 151 MT and finished steel at 145 MT FY26 YTD (Apr–Sep 25) trends remain steady (crude: 82 MT, consumption: ~79 MT), indicating resilient domestic demand 	<ul style="list-style-type: none"> Steel output is expected to scale to ~500 MT by FY50 (~3x growth), driven by urbanisation, infra build-out and manufacturing push Demand remains resilient despite global uncertainties, with consumption closely aligned to production—indicating sustained strength across infrastructure, construction and manufacturing end-use segments 	<ul style="list-style-type: none"> NSP 2017 anchors the medium-term roadmap with a 300 MT capacity target by FY31 and rising steel intensity (160 kg per capita). AMNS India: 7.3 MT greenfield expansion JSW–JFE: Entry into GOES (high-value electrical steel) → Signals shift towards value-added steel + import substitution 	<ul style="list-style-type: none"> 12% safeguard duty in April 2025 has led to ~11% decline in imports, easing pricing pressure and supporting domestic spreads. The Indian steel sector remains structurally strong, supported by policy tailwinds, capacity expansion and import substitution. While near-term volatility may persist amid global uncertainties.

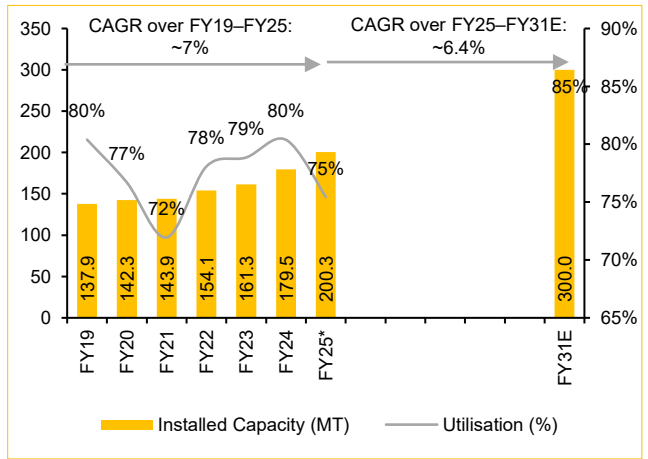
Source: ibef, Choice Institutional Equities

Scaling on Structural Demand Tailwinds



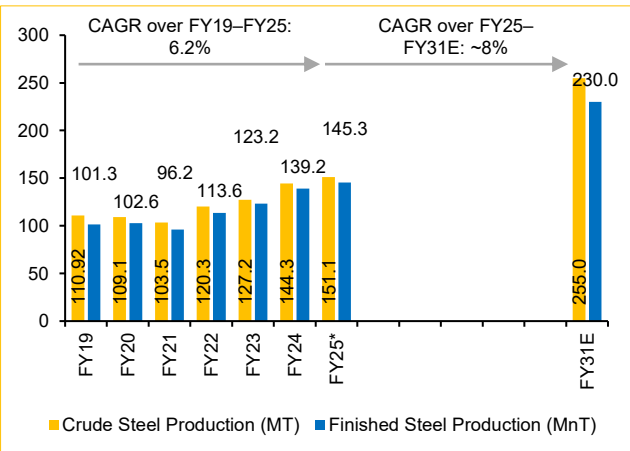
Source: ibef, Choice Institutional Equities

Steel Capacity: Multi-Year Growth Visibility Strengthens



Source: PIB, Choice Institutional Equities

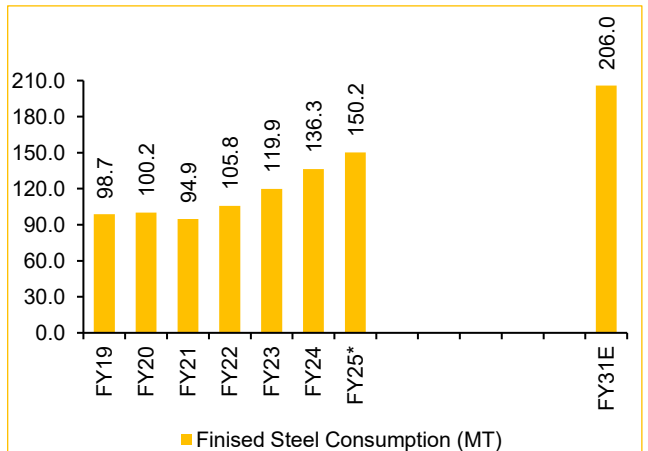
Forging ahead: India's steel output on a steep growth curve



*Provisional

Source: pib, Choice Institutional Equities

Steel Consumption on a Tear: Demand Hits New Highs



Source: steel.gov, Choice Institutional Equities

5.2 Sector Projections: Market Size and Competitor Market Share

The secondary steel sector via the Induction Furnace (IF) route continues to contribute a robust **35% to 38%** of total national steel production. Maintaining this steady operational mix translates to a highly visible, linear compounding curve for the ramming mass industry through FY31E

Macro Forecast	FY26	FY27E	FY28E	FY29E	FY30E	FY31E
Total Steel Capacity (MnT)	220.0	234.0	249.0	265.0	282.0	300.0
Total Crude Steel Production (MnT)	168.4	183.0	198.8	216.0	234.7	255.0
IF Route Steel Capacity (MnT)	85.0	90.4	96.2	102.4	108.9	115.9
Steel Production via IF Route (MnT)	45.8	49.8	54.1	58.8	63.9	69.4
Ramming Mass Market Size^ (MnT)	1.83	1.99	2.16	2.35	2.55	2.78
Monolithisch Market Share (%)	9.3%	15.0%	20.7%	20.7%	—	—
Raghav Productivity Market Share (%)	13.8%	—	—	—	—	—

Source: MONOLITH, RRML, PIB, Choice Institutional Equities

^ Derived using the standard industry metallurgical coefficient: 25 tons of IF steel production = 1 ton of ramming mass.

5.3 The Macro Core: Steel Capacity Expansion as the Primary Engine

India's refractory and monolithic ramming mass industry remains closely linked to domestic crude steel production, particularly within the secondary steel segment. As acidic silica ramming mass is a critical consumable for Induction Furnaces (IFs), incremental steel output directly drives recurring demand for refractory materials. Supported by infrastructure spending, manufacturing growth, urbanisation and rising steel intensity across key sectors, India continues to strengthen its position as the world's second-largest steel producer, with crude steel capacity expected to increase from ~220 MT in FY26 to ~300 MT by FY31E under the National Steel Policy.

Notably, a large share of the upcoming steel capacity expansion is concentrated in the mineral-rich eastern and central regions, including West Bengal, Odisha, Jharkhand and Chhattisgarh. This structurally benefits organised regional refractory players, for whom proximity to customers and freight optimisation remain key competitive advantages.

MACRO CONSUMPTION PIVOT

25 : 1 Multiplier

Every 25 metric tons of steel produced via the Induction Furnace (IF) route mathematically forces the net recurring consumption of 1 metric ton of premium silica ramming mass.

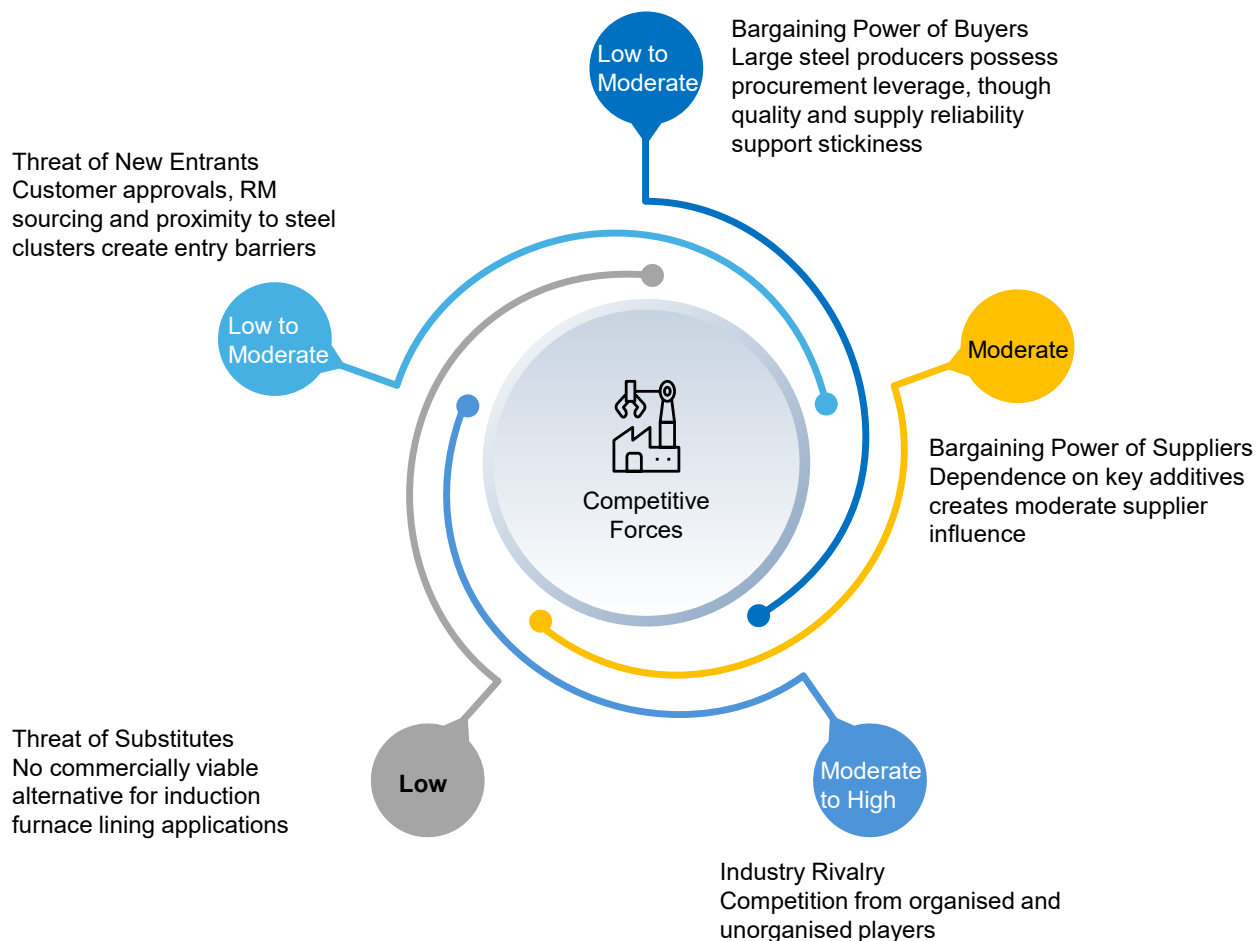
ADDRESSABLE MARKET SIZE

2.78 MT by FY31E

The total addressable domestic silica ramming mass market is projected to expand at a steady 8.7% CAGR, surging from 1.83 MT in FY26 to 2.78 MT by FY31E.

Source: MONOLITH, RRML, PIB, Choice Institutional Equities

5.4 Michael Porter's Five Forces Analysis



Five Forces' Competitive Analysis

Customer qualification cycles, raw material sourcing expertise and freight advantages create meaningful barriers to entry despite modest capital requirements.

MONOLITH benefits from strong customer relationships, product performance and logistical advantages, limiting buyer switching despite procurement leverage.

Ramming mass is a critical consumable in induction furnaces and must be periodically replaced, resulting in recurring demand and low substitution risk.

Key inputs such as quartzite, boric acid and boron oxide provide suppliers some leverage. Strategic inventory stocking and diversified sourcing mitigate risks.

The industry comprises organised and unorganised players. Rising formalisation, premiumisation and quality requirements are supporting market share gains for established manufacturers.

Source: MONOLITH, Choice Institutional Equities

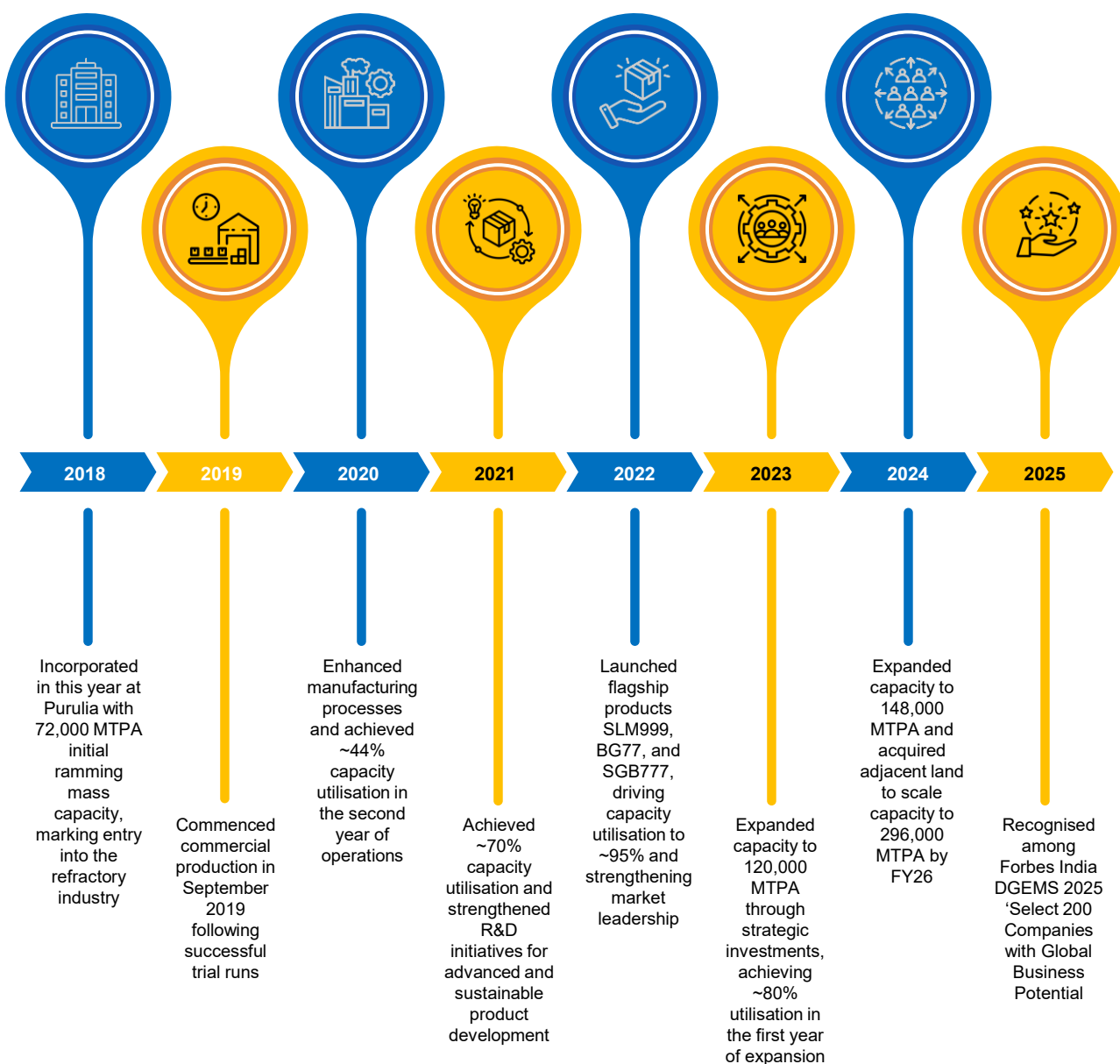
6.1 Company History & Key Milestones

MONOLITH is a leading manufacturer of premixed ramming mass used in induction furnaces for the secondary steel industry. Incorporated in 2018, the company supplies refractory consumables to a majority of integrated steel plants across India and is positioned strongly in the fast-growing premix ramming mass segment.

MONOLITH currently has ~2.1 lakh MTPA consolidated capacity with ~81.5% utilisation in FY26 and is aggressively expanding capacity to ~5.74 lakh MTPA by Q1/Q2FY27, which could make it one of the largest ramming mass manufacturers globally. Its key manufacturing base is located in Purulia, West Bengal, strategically catering to eastern and central steel clusters.

MONOLITH benefits from recurring consumable demand linked to steel production, while premium products like SGB-Limited are helping improve realisations, margins and customer stickiness. The company is also expanding into adjacent silica-based refractory products to drive long-term growth.

Key Milestones and Business Evolution Timeline



Source: MONOLITH, Choice Institutional Equities

6.2 Transformational capacity expansion driving industry leadership

We believe the sharp capacity scale-up, strategic proximity to key induction furnace steel clusters and strong execution capabilities are likely to drive market share gains, operating leverage and long-term earnings visibility for the company.

MONOLITH India is undertaking an aggressive capacity expansion to strengthen its leadership position in the ramming mass industry. The company currently operates ~3.08 lakh MTPA capacity across its Sarbari (2.5 lakh MTPA) and Ranchi (~57,600 MTPA) facilities, with the Ranchi unit targeted to scale up to ~72,000 MTPA in the near term.

Further, the company is setting up a ~2.52–2.54 lakh MTPA greenfield facility at Purulia, West Bengal, expected to be commissioned by Q2FY27. Post expansion, MONOLITH's consolidated capacity will increase sharply to ~5.76 lakh MTPA, positioning it among the fastest-growing ramming mass players globally.

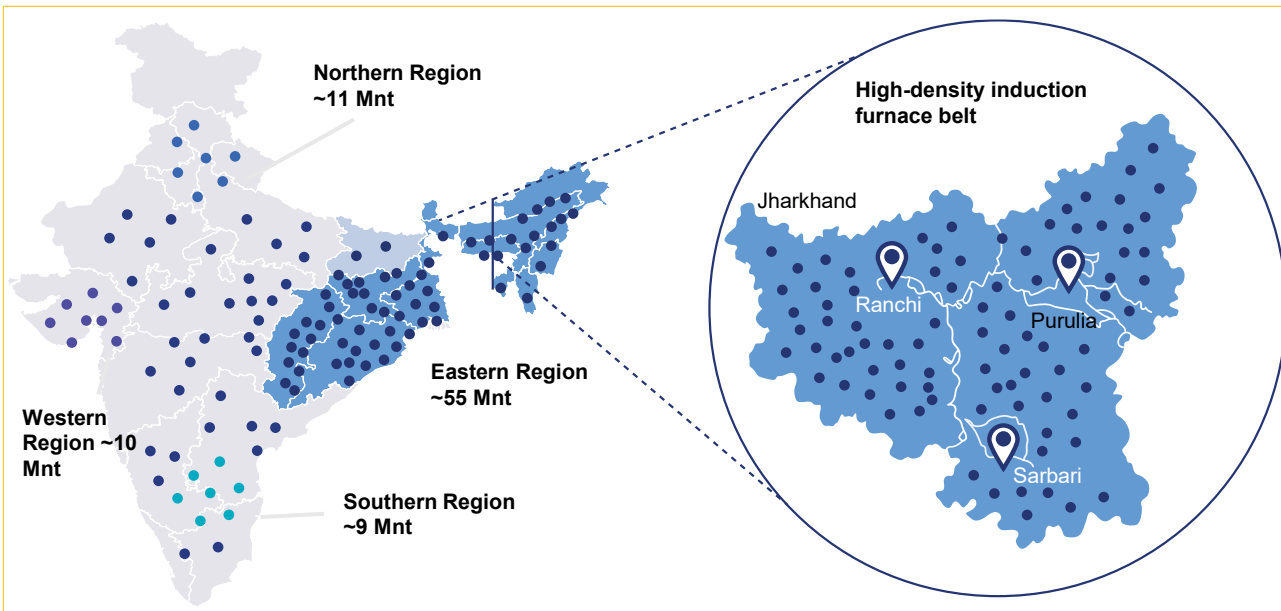
The aggressive expansion strategy, coupled with a strong regional presence across the eastern and central India steel clusters, is likely to enhance market share, improve economies of scale, and strengthen the company's ability to meet rising demand for induction furnace-based steel production.



Source: MONOLITH, Choice Institutional Equities

6.3 Strategically Positioned in India's Largest Steel Cluster

MONOLITH manufacturing facilities are strategically located in Eastern India — the country's largest induction furnace-based steel production hub, contributing ~55 Mn tonnes of steel output. Its proximity to key steel clusters in West Bengal and Jharkhand enables strong customer access, efficient logistics and sustained demand visibility.



SARBARI UNIT
Brownfield Project
West Bengal
Capacity 2,50,000 MTPA



RANCHI UNIT
Jharkhand
Capacity 57,600 MTPA; 72,000 by next 15 days

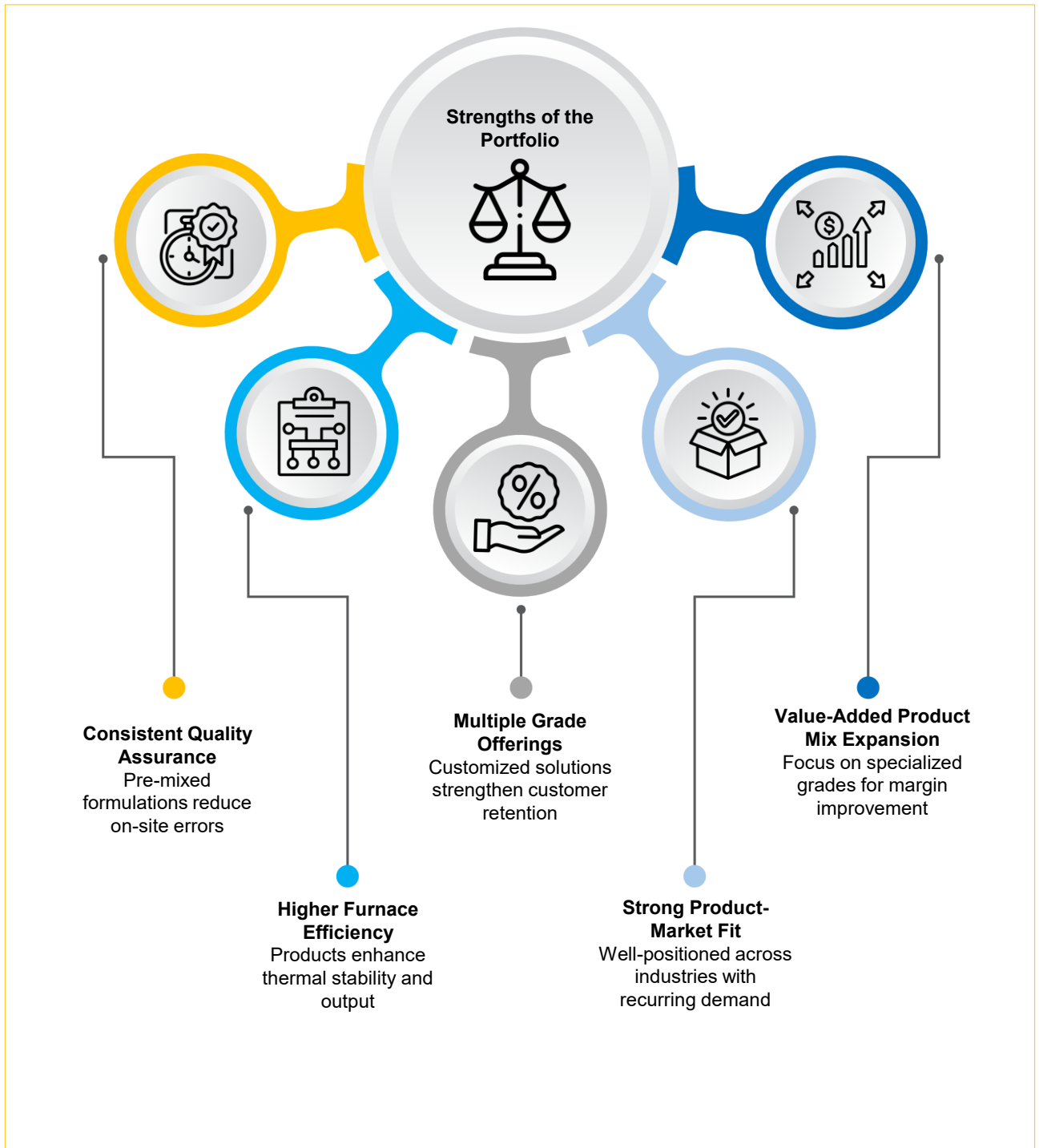


PURULIA UNIT
Greenfield Project
West Bengal
Capacity 2,52,000 – 2,54,000 MTPA

Source: MONOLITH, Choice Institutional Equities

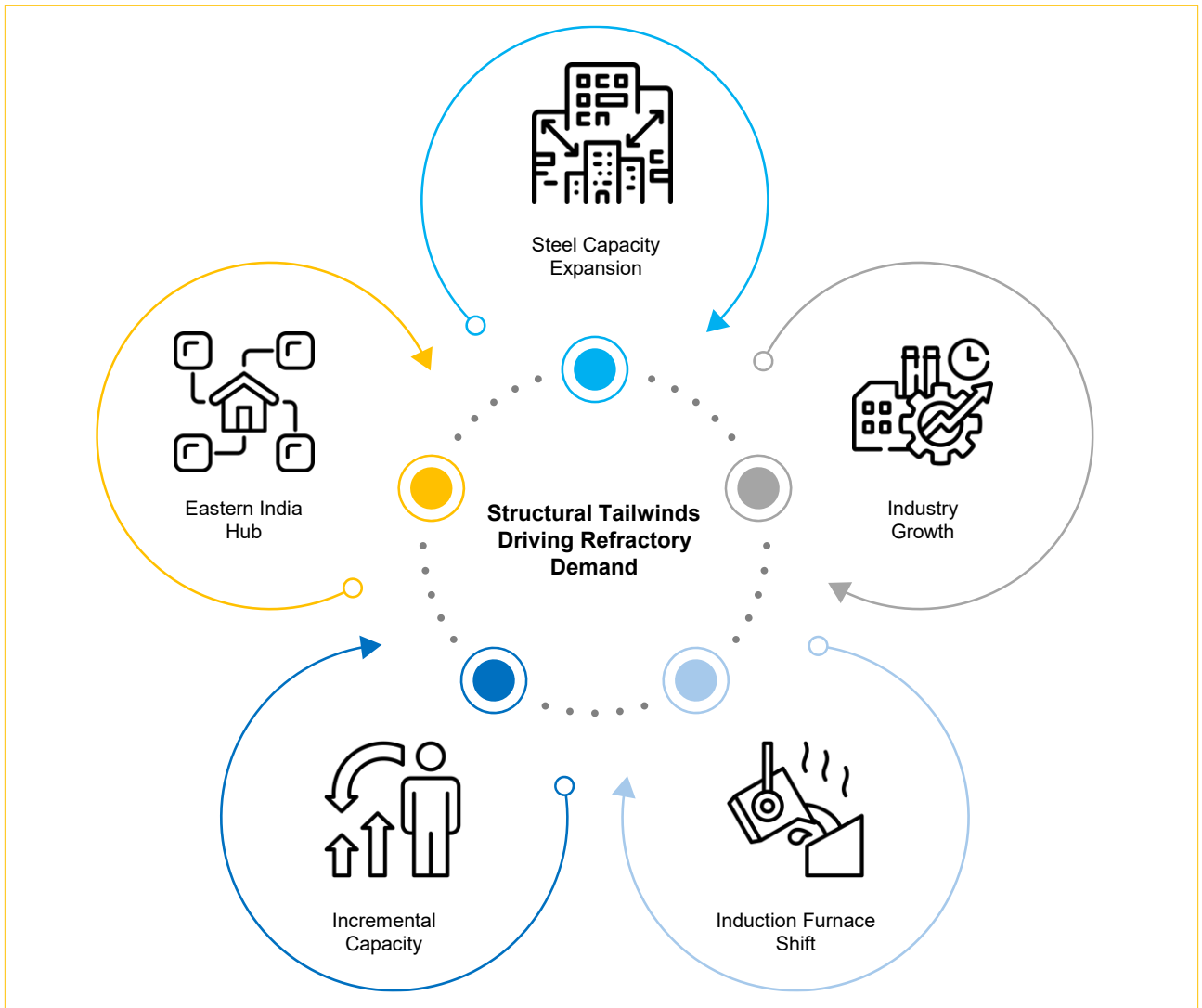
6.4 Diversified Product Portfolio with Strong Industry Fit

- **99% of the portfolio is focused on premix ramming mass products** catering to induction furnace-based steel manufacturers.
- The product basket includes multiple specialised grades, such as **SGB-777**, **LG-86**, **SLM-999**, **BG-77**, and **SLM-980**, designed for varying furnace conditions and customer requirements.



Source: MONOLITH, Choice Institutional Equities

6.5 Positioned at the Core of India's Steel Supercycle







Key Growth Drivers for MONOLITH

- **Consumable at the Core of Steel Production:** Premix ramming mass remains a critical recurring consumable in induction furnace operations, ensuring steady replacement-driven demand.
- **Higher Furnace Utilisation Driving Consumption:** Increasing furnace intensity and the number of heats per furnace are leading to higher refractory consumption per ton of steel produced.
- **Strong Cost-Efficiency Proposition:** Pre-mixed customised formulations improve furnace life, enhance thermal stability, reduce downtime, and minimise operational losses for customers.
- **Strong Product-Market Alignment:** A diversified grade portfolio catering to varying furnace conditions strengthens customer stickiness and repeat business visibility.
- **Well Positioned to Capture Industry Expansion:** Capacity expansion, increasing value-added product mix, and strategic proximity to eastern India steel clusters position Monolithisch as a key beneficiary of India's secondary steel growth cycle.

Source: MONOLITH, Choice Institutional Equities

6.6 About the Management

Name	Designation	Qualification	Experience
 Mr. Prabhat Tekriwal	Chairman and CFO	Holds a Bachelor's Degree in Commerce from the University of Ranchi.	Mr. Prabhat Tekriwal is one of the Promoters of the Company and has been associated with the Company since its incorporation. He possesses over 36 years of experience in refractory material manufacturing and oversees the Company's financial operations, corporate strategy and stakeholder management.
 Mr. Harsh Tekriwal	Managing Director	Holds a Master's Degree in Business Administration and a Bachelor's Degree in Mechanical Engineering from Cardiff University.	Over 7 years of industry experience. His educational background and managerial capabilities have contributed significantly towards innovation and operational efficiency within the Company. He is instrumental in streamlining business operations, driving sustainable growth, strengthening client relationships, and fostering team collaboration, thereby enhancing the Company's market reputation.
 Sharmila Tekriwal	Non-Executive Director	Completed her secondary school education.	Over 23 years of experience in the refractory material industry. Her long-standing association with the Company has contributed to its growth and operational development over the years.
 Mr. Kritish Tekriwal	Executive Director	Holds a Bachelor's Degree in Science with Honours in Banking and International Finance..	Mr. Kritish Tekriwal has been associated with the Company since January 29, 2025, and possesses around 2 years of industry experience. He is primarily responsible for managing investor relations and supporting stakeholder engagement initiatives for the Company.

Source: MONOLITH, Choice Institutional Equities

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Large Cap*

BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months

Mid & Small Cap*

BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months

Other Ratings

NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change

Sector View

POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
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*Large Cap: More Than INR 20,000 Cr Market Cap

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