

MONOLITH: West & South Expansion Builds Pan-India Scale

September 30, 2026 | CMP: INR 1,281 | Target Price: INR 1,778

BUY

Expected Share Price Return: 38.8% | Dividend Yield: 0.0% | Potential Upside: 38.8%

Sector View: Positive

Change in Estimates	✓
Target Price Change	✗
Recommendation Change	✗

Company Info	
BB Code	MONOLITH : IN EQUITY
Face Value (INR)	10.0
52-week High/Low (INR)	1,505 / 367.0
Mkt Cap (Bn)	INR 28.9 / USD 0.32
Shares o/s (Mn)	21.7
3M Avg. Daily Volume	54,812

Change in Estimates						
	FY27E			FY28E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	2.7	2.7	0.0	6.0	4.9	21.9
EBITDA	0.9	0.9	0.0	2.3	2.1	12.8
EBITDAM%	31.9	31.9	0 bps	38.8	41.9	-312 bps
PAT	0.6	0.6	0.0	1.7	1.5	13.1

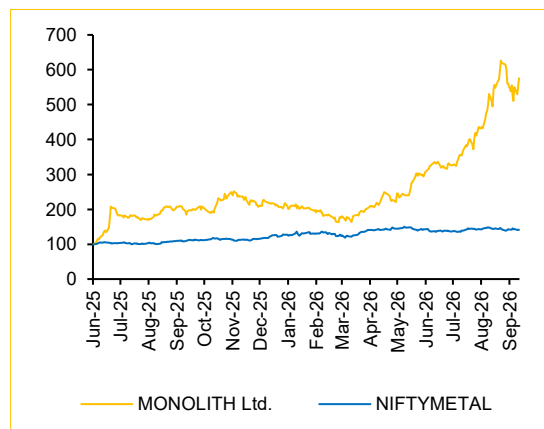
Key Financials					
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	1.0	1.4	2.7	6.0	7.6
YoY (%)	41.3	39.0	98.1	122.5	26.7
EBITDA	0.2	0.3	0.9	2.3	2.7
EBITDAM %	21.7	23.6	31.9	38.8	36.3
Adj. PAT	0.1	0.2	0.6	1.7	2.0
EPS (INR)	9.0	10.6	27.7	77.5	91.9
ROE %	53.4	27.8	37.5	61.2*	43.5
ROCE %	45.7	24.5	36.1	59.8*	42.9
EV/EBITDA (x)	97.6	86.5	31.8	11.3	9.0

*Exponential earnings growth outpaces average equity/capital employed

Shareholding Pattern (%)			
	Jun-26	Mar-26	Dec-25
Promoters	74.27	74.27	74.24
FIIIs	1.79	1.31	1.33
DIIIs	2.82	2.61	2.37
Public	21.12	21.81	22.06

Relative Performance (%)			
YTD	3 Months	6 Months	Since Listing
MONOLITH	72.1	252.5	475.8
NIFTY METAL	2.5	15.2	40.4

Rebased Price Performance


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Investment View & Target Price: INR 1,778 (38.8% Upside)

We maintain our 'BUY' rating on MONOLITH with a TP of INR 1,778. We lift FY28E/FY29E EBITDA by 12.8%/26.3% and PAT by 13.1%/26.8% to include the announced **Advanced Silica Complexes at Udaipur (Rajasthan) and Hospet (Karnataka)**, taking MONOLITH's capacity to ~8,75,000 MTPA. The upgrade is offset by a lower target multiple (16x vs. 18x FY28E EV/EBITDA); FY27E is unchanged as both plants will be commissioned in FY28.

- On September 29, 2026, MONOLITH announced two **Advanced Silica Complexes**: Udaipur (1,75,000 MTPA; ~INR 250 Mn; Nov-2027) and near Hospet (1,25,000 MTPA; ~INR 200 Mn; Jul-2027) — **3,00,000 MTPA for ~INR 450 Mn**.
- MONOLITH capacity expands ~52% to 8.75 lakh MTPA. Capital intensity is lean at ~INR 1,500 per tonne, implying an outlay of ~INR 45 crore. With FY27E operating cash flows expected at INR 65.5 crore, the expansion will be entirely self-funded through internal accruals with zero debt additions.
- Logistics-led sitting**: Udaipur plant serves Rajasthan, Gujarat and Gadchiroli with Kandla/Mundra access; Hospet is in a steel belt near Mormugao/New Mangalore. Exports are negligible today.
- Estimates**: New-plant volumes of **1,15,625 MT (FY28E) and 2,40,000 MT (FY29E)** add revenue of INR 1,070 Mn / 2,280 Mn and EBITDA of INR 262 Mn / 570 Mn (~25% EBITDA margin), easing group margins by ~312 / ~488 bps.

View and Valuation

We maintain BUY with an unchanged TP of INR 1,778 (38.8% upside). Capacity expansion to 8.75 lakh MTPA lifts FY28E/FY29E EBITDA by 12.8%/26.3%, while we cut the target multiple to 16x EV/EBITDA from 18x amid industry-wide overcapacity concerns. Key watch points include overlapping ramp-ups, aggressive Hospet/Udaipur utilisation assumptions and ~20% FY28E realisation decline from the quartzite mix. Raghav Productivity's expansion (~8.84 lakh MTPA), execution risks and SME status remain key concerns. This is partly offset by strong earnings visibility and a net-cash balance sheet.

Links: [Monolithisch India Initiating Coverage](#) / [Q1FY27 Result Update](#) / [Monolith Business Update](#)

Bridging the Estimate Upgrade

Bridge (INR Mn)	FY27E	FY28E	FY29E	Basis
New-plant volume (MT)	-	1,15,625	2,40,000	Udaipur 25%→80%, Hospet 57.5%→80% utilisation
Incremental revenue (Mn)	-	1,070	2,280	Implied ~INR 9,250/t (FY28E), ~9,500/t (FY29E)
Incremental EBITDA	-	262	570	~25% EBITDA margin vs. group 38.8%/36.3%
Incremental PAT	-	194	422	After incremental D&A; 25.4% tax rate

Source: MONOLITH, Choice Institutional Equities

Exhibit 2: EV/EBITDA Valuation Framework

Valuation (Consol)	FY26	FY27E	FY28E	FY29E
EBITDA	320	856	2,313	2,740
Multiple (x)	16.0	16.0	16.0	16.0
EV	5,114	13,698	37,003	43,846
NetDebt/(Cash)	(206)	(635)	(1,613)	(3,176)
Mcap	5,320	14,333	38,616	47,022
Shares o/s (Mn)	21.7	21.7	21.7	21.7
Fair Value per share (INR)	244.8	659.4	1,778.0	2,163.3
TP (INR/sh)			1,778	
Upside (%) from CMP INR 1,281			38.8%	

Source: MONOLITH, Choice Institutional Equities

Exhibit 3: Advanced Silica Complexes - Project Snapshot and Modelled Ramp-up

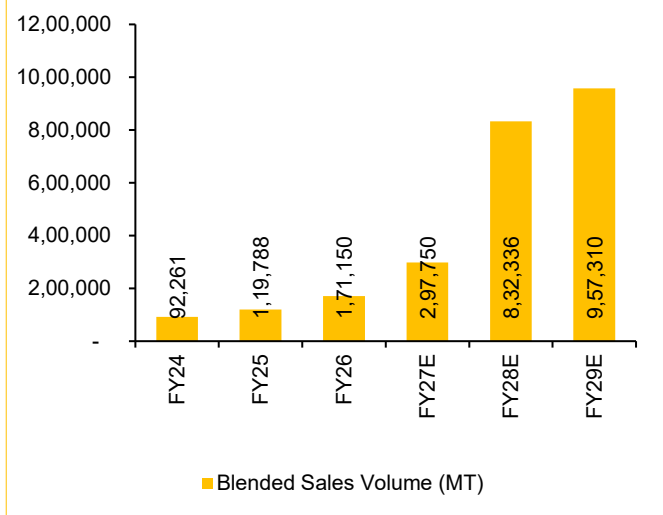
Project (announced Sep 29, 2026)	Udaipur, Rajasthan	Hospet, Karnataka	Total / Group
Initial capacity (MTPA)	1,75,000	1,25,000	3,00,000 (group: 8,75,000)
Estimated capex (INR Mn)	~250	~200	~450
Expected commercial production	Nov-2027 (Q3FY28)	Jul-2027 (Q2FY28)	-
Modelled utilisation FY28E / FY29E	25% / 80%	57.5% / 80%	-
Modelled production FY28E / FY29E (MT)	43,750 / 1,40,000	71,875 / 1,00,000	1,15,625 / 2,40,000
Key markets and port access	Rajasthan, Gujarat, Gadchiroli; Kandla & Mundra	Southern steel belt; Mormugao & New Mangalore	-

Source: MONOLITH, Choice Institutional Equities

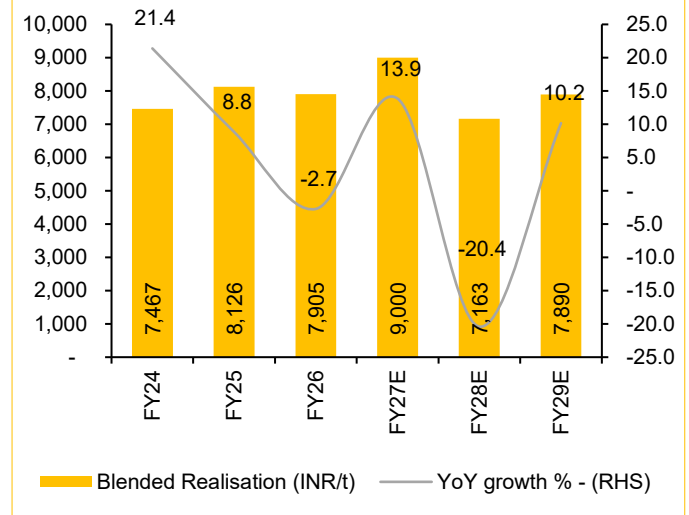
Exhibit 4: Capex, Cash Generation and Funding (Consolidated, INR Mn)

Consolidated	FY26	FY27E	FY28E	FY29E
Gross capex	239	334	119	151
Cash flow from operations	138	655	1,099	1,714
Free cash flow (CFO - capex)	(101)	321	980	1,563
Closing cash & bank	271	700	1,678	3,241

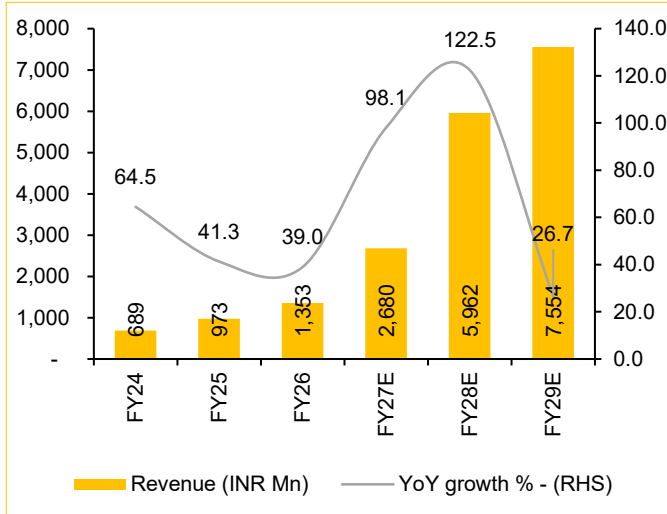
Source: MONOLITH, Choice Institutional Equities

Volumes Step Up as Bihar Quartzite Sales and New Plants Ramp Up

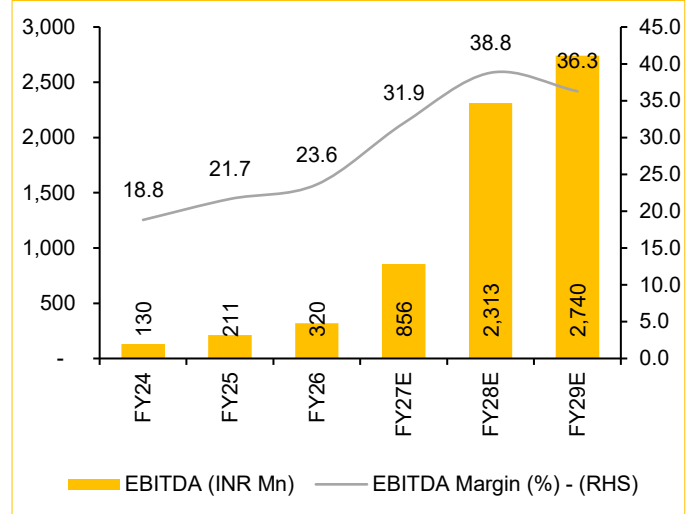
Source: MONOLITH, Choice Institutional Equities

Blended Realisation Dips as Low-value Quartzite Mix Expands

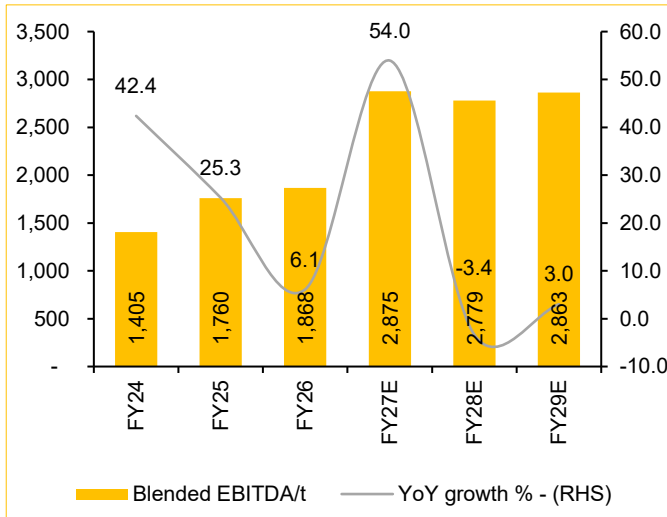
Source: MONOLITH, Choice Institutional Equities

Revenue Lifted by New Plants; FY28E Upgraded 21.9%

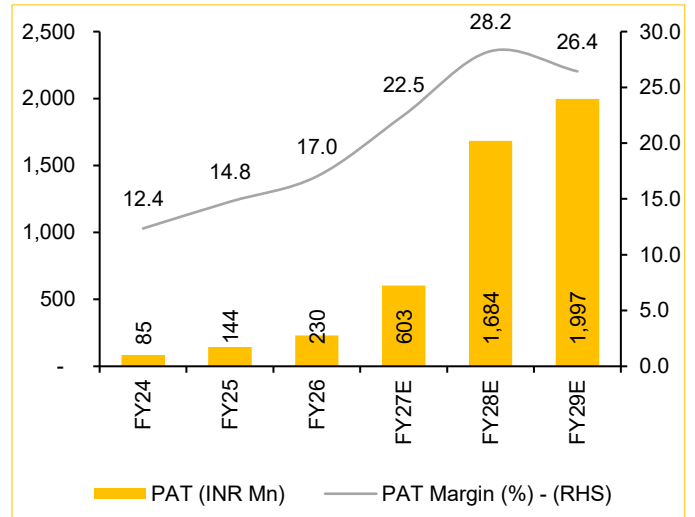
Source: MONOLITH, Choice Institutional Equities

EBITDA Upgraded 12.8% in FY28E; Margin Eases as Low-value Mix Rises

Source: MONOLITH, Choice Institutional Equities

Blended EBITDA/t Holds ~INR 2,800-2,900 Despite Mix Dilution

Source: MONOLITH, Choice Institutional Equities

PAT Upgraded 13.1% in FY28E and 26.8% in FY29E

Source: MONOLITH, Choice Institutional Equities

Income Statement (Consolidated INR Mn)

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	973	1,353	2,680	5,962	7,554
Gross Profit	559	735	1,848	4,548	5,611
EBITDA	211	320	856	2,313	2,740
Depreciation	15	24	46	54	64
EBIT	196	296	810	2,259	2,676
Other Income	-	17	2	2	4
Interest Expenses	3	4	4	4	4
PAT	144	230	603	1,684	1,997
EPS (INR)	9.0	10.6	27.7	77.5	91.9

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenue	41.3	39.0	98.1	122.5	26.7
EBITDA	62.7	51.6	167.8	170.1	18.5
PAT	68.7	60.4	161.8	179.3	18.6
Margins (%)					
Gross Margin	57.5	54.4	68.9	76.3	74.3
EBITDA	21.7	23.6	31.9	38.8	36.3
PAT	14.8	17.0	22.5	28.2	26.4
Profitability (%)					
ROE	53.4	27.8	37.5	61.2*	43.5
ROIC	46.1	28.9	50.8	103.4*	90.8
ROCE	45.7	24.5	36.1	59.8*	42.9
Valuation					
Mcap/Sales (x)	21.1	20.6	10.4	4.7	3.7
EV/EBITDA (x)	97.6	86.5	31.8	11.3	9.0
P/BV (x)	58.2	21.3	14.6	7.7	5.0
Working Capital Days					
Debtors Days	72.1	62.7	61.8	61.8	61.8
Inventories Days	127.5	226.0	84.6	84.6	84.6
Creditors Days	52.5	21.3	31.3	31.3	31.3
Working Capital Cycle Days	147.1	267.5	115.2	115.2	115.2

*Exponential earnings growth outpaces average equity/capital employed

Source: MONOLITH, Choice Institutional Equities

Balance Sheet (Consolidated INR Mn)

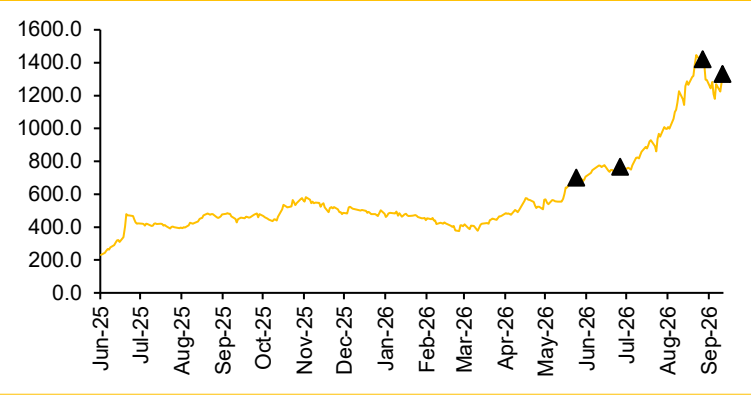
Particulars	FY25	FY26	FY27E	FY28E	FY29E
Tangible Fixed Assets	116	249	537	602	689
Capital WIP	-	110	-	-	-
Goodwill	1	36	36	36	36
Investments	-	70	70	70	70
Cash & Cash Equivalents	4	271	700	1,678	3,241
Loans Advance & Other Assets	52	103	103	103	103
Inventories	145	382	193	328	451
Debtors	192	232	453	1,009	1,278
Total assets	509	1,453	2,092	3,825	5,868
Shareholder's Funds	352	1,307	1,910	3,594	5,591
Deferred Tax	-	-	-	-	-
Borrowings	74	65	65	65	65
Trade Payables	60	36	71	121	166
Other Liabilities & Provisions	23	46	46	46	46
Total equity & liabilities	509	1,453	2,092	3,825	5,868

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	40	138	655	1,099	1,714
Cash Flows from Investing	(105)	(539)	(222)	(117)	(147)
Cash Flows from Financing	65	624	(4)	(4)	(4)

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
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	30.2	37.9	35.4
Asset Turnover (x)	2.5	1.4	1.5	2.0	1.6
Equity Multiplier (x)	1.5	1.2	1.1	1.1	1.1
DuPont Analysis (%)	53.4	27.8	37.5	61.2	43.5

Source: MONOLITH, Choice Institutional Equities

Historical share price chart: MONOLITH



Date	Rating	Target Price
June 08, 2026	BUY	960
July 28, 2026	BUY	1,060
September 11, 2026	BUY	1,778
September 30, 2026	BUY	1,778

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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
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
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