



VIEWPOINT

Company Update

SECTOR

Metals and Mining

COMPANY DETAILS

Market cap:	Rs. 11,610 cr
52-week high/low:	Rs. 2170/1379
NSE volume: (No of shares)	2.8 lakh
BSE code:	533282
NSE code:	GRAVITA
Free float: (No of shares)	3.2 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	55.9
FII	16.9
DII	4.7
Others	22.5

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	2.9	-13.9	-1.6	-6.2
Relative to Sensex	2.0	-10.0	-4.6	-16.5

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **POSITIVE**

CMP: **Rs. 1,594**

Price Target: **Rs. 2,000**

Quick Snapshot

- RMIL's proposed deal marks Gravita's foray into copper recycling business and positions. It as an integrated recycling and value-added product manufacturer.
- Other major projects include – expansion of Mundra lead recycling plant to 145,000 TPA at Rs. 49 crore, a 6,000-TPA Li-ion recycling plant for Rs. 14 crore.
- In Q3FY26, EBITDA margins were robust at over 11%, led by higher revenue in lead business; capacity expansions to fuel volume growth from H2FY26 onwards. Company has guided for 8-9% of volume growth in Q4FY26 and revenue/APAT CAGRs of ~18% and 26% in the long run, while maintaining a RoCE of 18%.
- At CMP, Gravita trades at a 33x/27x multiple on FY27E/FY28E EPS. We maintain a Buy rating with a PT of Rs. 2,000 (28x on FY28E EPS).

Business Updates:

- **RMIL:** Rashtriya Metals Industries Limited (RMIL), one of India's oldest copper manufacturers, for Rs 565 crore (RMIL clocked a turnover of Rs. 910 crore in FY25). The deal will marks Gravita's entry into the copper recycling business and will take its total copper capacity from 334 ktpa as of FY25-end to 340 ktpa (including RMIL's 31,200-TPA facility at Gujarat). An additional 45 ktpa capacity will also be commissioned this quarter; both projects will be completely operational by Q2FY27.
- **Mundra project:** Gravita has expanded its lead recycling capacity by 80,300 TPA to 1,45,100 TPA, using internal accruals of Rs. 49 crore. The expansion would bolster its recycling capabilities in the long run, helping it to cater to rising demand for sustainable lead products.
- **Li-ion recycling:** Gravita has also launched a state-of-the-art, 6,000-TPA lithium-ion battery recycling plant at Mundra at an investment of ~Rs. 14 crore. The venture reflects Gravita's aim to reduce dependency on mining for raw materials and ensure re-use of valuable materials.

Our Call

For Gravita, the rising supply of scrap resources, favourable polices, implementation of Battery Waste Management Rules (BMWR), EPR, Reverse Charge Mechanism (RCM) will boost output, while the Mundra plant will benefit from the focus on electric vehicles and clean energy. By FY29, the company eyes 50% of its contributions from value-added products (VAPs). At CMP, Gravita trades at a 33x/27x multiple on FY27E/FY28E EPS. We maintain a Buy rating with a PT of Rs. 2000 (28x on FY28E EPS).

Key Risks

- Regulatory tailwinds on scrap procurement.
- Highly volatile global aluminium prices will tighten scrap availability that could affect procurement and processing volumes.

Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	3,161	3,869	4,508	5,520	6,601
Operating profit	284	324	442	547	678
OPM (%)	9.0	8.4	9.8	9.9	10.3
Adjusted PAT	239	312	349	425	519
% YoY growth	18.9	30.6	11.6	22.0	22.0
Adjusted EPS (Rs.)	32.9	42.9	47.9	58.4	71.3
P/E (x)	48.5	37.1	33.3	27.3	22.4
P/B (x)	13.9	5.6	4.9	4.2	3.6
EV/EBITDA (x)	42.5	35.4	25.9	0.0	0.0
RoCE (%)	21.0	15.8	16.5	18.1	18.4
RoNW (%)	33.5	21.5	15.7	16.7	17.5

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Feb 25, 2026

Q3FY26 - Segment-wise performance

Lead remained the leading major contributor, fetching ~85% of revenues and offsetting a weak show by the aluminium and plastics divisions.

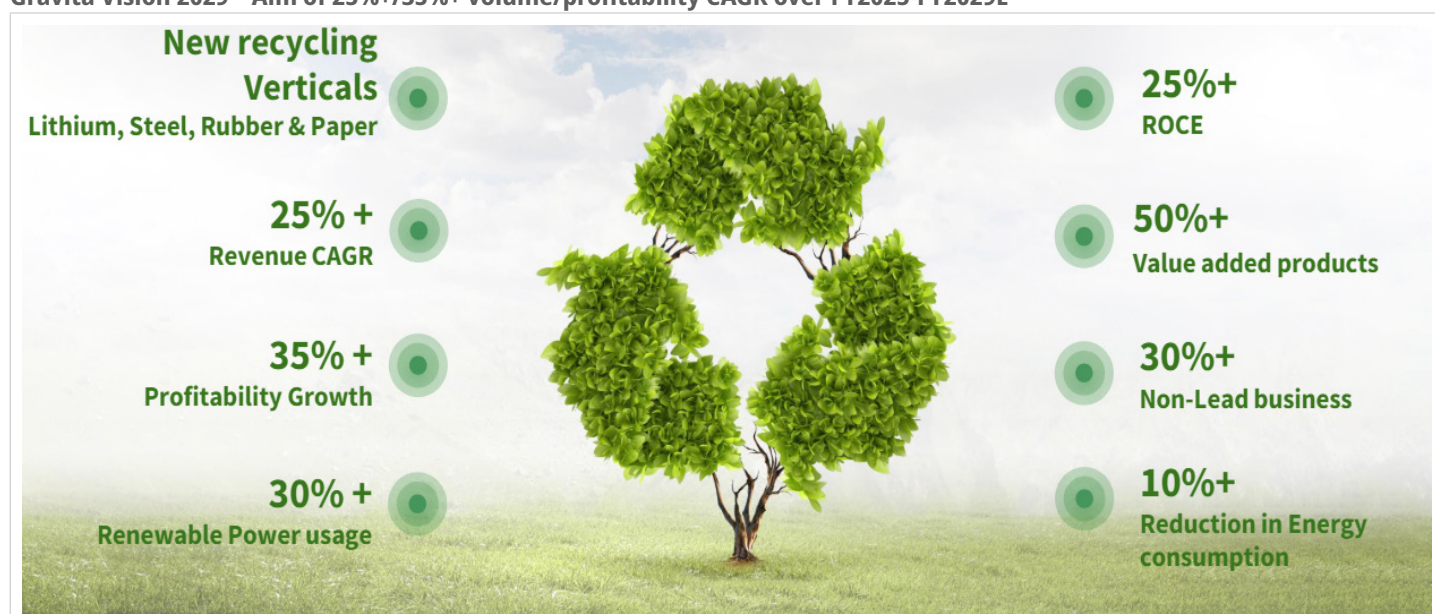
Volume break-up

Particulars	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Tonnes
						Overall contribution
Lead	43,900	45,630	46,215	44,187	46,269	90%
Aluminium	6,264	5,254	4,812	4,458	3,550	8%
Plastic	3,279	2,630	2,414	2,040	3,162	2%

Source: Company; Mirae Asset Sharekhan Research

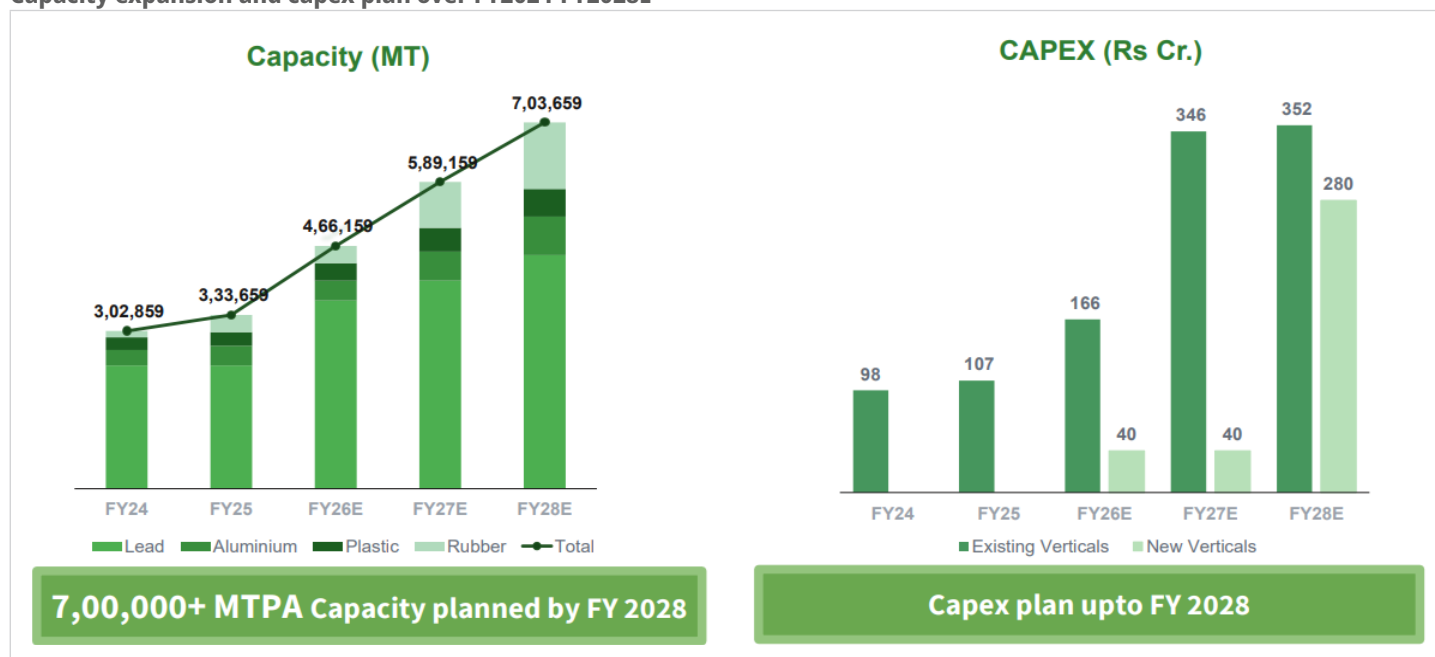
- Lead business revenue grew 9% y-o-y to Rs. 915 crore, driven by a 5% y-o-y rise in volumes 46,269 of tonnes. Per kg EBITDA stood at Rs 23, up 21% y-o-y. Segment is forecast to grow at 18-20% with a stable EBITDA/kg at Rs 19-20.
- Aluminium business' revenues fell 33% y-o-y to Rs. 82.57 crores, with volumes falling 43% to 3550 tonnes, with and per EBITDA/kg falling 32% to Rs.14.
- Plastic business' revenues fell 39% y-o-y to Rs. 15.48 crores, with volumes declining 4% y-o-y to 3162 tonnes. Per kg EBITDA stood at Rs.10, up 1% y-o-y.
- The acquisition would enable Gravita to diversify into copper and copper alloy products, including recycling copper scrap to copper alloys, alongside existing businesses and strengthen its position as an integrated recycling and value-added product manufacturer, boosting its competitive edge and improving margins.

Gravita Vision 2029 – Aim of 25%+/35%+ volume/profitability CAGR over FY2025-FY2029E



Source: Company; Investor's Presentation

Capacity expansion and capex plan over FY2024-FY2028E



Source: Company; Investor's Presentation

Quarterly Performance

Particulars	Rs cr				
	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	1,017	996	2.1	1,036	-1.8
Total Expenditure	897	916	-2.0	933	-3.9
Adjusted operating profit	111	89	25.2	106	4.7
Other Income	12	29	-59.5	26	-55.6
Depreciation	10	8	28.8	9	6.6
Interest	7	13	-49.1	8	-16.4
PBT	115	89	29.2	111	3.4
Tax	18	11	59.3	15	15.0
Share of Minority Interest	0	0	-238.5	0	800.0
PAT	98	78	25.3	96	1.8
Equity Shares (cr)	7.3	7.3		7.3	
Reported EPS (Rs)	13.4	11.4	18.1	13.2	1.7
Margins(%)			BPS		BPS
OPM	11.0	8.9	202.6	10.3	67.9
NPM	9.6	7.8	178.2	9.3	33.3
Tax rate	15.3	12.4	289.2	13.8	153.4

Source: Company; Mirae Asset Sharekhan Research

Additional Data**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Oxbow Master Fund Ltd	2.35
2	Goldman Sachs Group Inc	2.31
3	Goldman Sachs Funds	2.23
4	Vanguard Group Inc	1.77
5	Jupiter Fund Management PLC	1.49
6	Gravita Employee Welfare Trust	1.32
7	Tata Asset Management Pvt Ltd	1.28
8	Jupiter India Fund	1.11
9	Blackrock Inc	0.91
10	UTI AMC Ltd	0.75

Source: Bloomberg

Key management personnel

Name	Designation
Rajat Agrawal	Chairman/Managing Director
Yogesh Malhotra	CEO / Whole Time Director
Sunil Kansal	Chief Financial Officer (CFO)
Nitin Gupta	Company Secretary

Source: Company Website

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Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address: Gigaplex IT Park, Unit No 1001, 10th Floor, Building No. 9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai – 400708. Tel: 022 61169000 / 61150000, Fax No. 61169699.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

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Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

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