

CMP: ₹ 700 (30 Apr, 2026)

M Cap: ₹ 3,214 Cr.

Target : ₹ 850

## Key Information<sup>\*\*\*</sup>

NSE Code	RPEL
BSE Code	539837
Shares o/s (Cr)	4.59
FV (₹)	10
Latest EPS (TTM) ₹	11.94
Latest PE Ratios (x)	59
Latest BV ₹	45.26
51 Wk H (₹)	1066.40
52 Wk L (₹)	562.9

### 3 Years Price Chart\*



### Shareholding Pattern

	Sep'25	Dec'25	Mar'26
Promoter	62.91%	62.91%	62.91%
FIIs	0.15%	0.11%	0.36%
DIIIs	0%	0%	0%
Public	36.94%	36.98%	36.73%

### Value Proposition



### Capacity Expansion

Entity	Current	Addition	Updated
RPEL	1,44,000	36,000	1,80,000
RPSPL	2,70,000	84,000	3,54,000
<b>Total</b>	<b>4,14,000</b>	<b>1,20,000</b>	<b>5,34,000</b>

Growth Metrics	FY16	FY21	FY26	CAGR
Capacity (KMT)	36	180	414	28%
Volume (KMT)	29	116	332	28%
Exports Volume (KMT)	1	16	80	56%
Ramming Mass Sales (₹ Crs)	20	62	254	32%
EBITDA (₹ Crs)	5	15	75	32%
PAT (₹ Crs)	1	9	55	45%
Domestic Market Share %	3.50%	11.40%	14%	

RPEL is the world's largest manufacturer of silica ramming mass, offering quartz-based ramming mass and other refractory materials that are used to line induction furnaces, and are crucial for melting steel in foundries and casting plants. It has undertaken major strategic capacity expansion for bolstering its position as a global leader in silica ramming mass.

### Investment Rationale

➤ The National Steel Policy aims to increase crude steel production capacity to 300 MTPA by 2030, (~200 MT in 2025), which will significantly scale demand for silica ramming mass (~28–30 kg consumed per tonne of steel produced). According to reports by Roots Analysis, Monolithisch and Ken Research, the domestic ramming mass market is projected to grow in line with global growth at a CAGR of 6–8% through FY35. According to report by Research and Markets, global silica-based ramming mass is expected to be growing faster at ~7.48% CAGR. Ongoing projects under National Infrastructure Pipeline (~ investment ₹102 tn) will boost steel demand in rail, roads, and ports and other infra sectors with higher preference for high-purity silica ramming mass (>85% silica content) to improve furnace life and energy efficiency.

➤ **RPEL is the world's largest manufacturer of silica ramming mass. They are the only organized player in this sector in India** holding roughly 14% market share (expanding more than 10% from 3.5% in FY16) with significantly higher effective market power due to dominance in organized and value-added segments. It aims to raise its market share to 30% by 2030.

➤ Indian producers are rapidly expanding their global footprint with exports to Middle East, Africa, and Southeast Asia projected to rise over 20% by 2030 due to competitive pricing and higher standards. RPEL's export growth remains a major growth driver, contributing 25–30% of its revenue. Margins expanded despite recent geopolitical headwinds.

➤ RPEL has been adding significant new capacities (approx. 55% increase) to meet global demand for silica ramming mass and plans to increase its total capacity to 5.34 Lakh MTPA from the existing 4.14 Lakh MTPA (Parent adding 36,000 MTPA, subsidiary 84,000 MTPA). Higher inventory levels are being maintained in anticipation of scaling of operations as also to shield against supply chain disruptions due to War.

# Raghav Productivity Enhancers Ltd (RPEL)



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- RPEL's patented manufacturing process, covers a unique, fully automated process for manufacturing silica ramming mass that facilitates manufacturing of products that are capable of increasing the **lining life** of induction furnaces, significantly boosting productivity and reducing costs for customers.
- RPEL's transition from a local SME player to the world's largest manufacturer in its niche, enables it to command premium pricing in a traditionally unorganised sector. Integration with mine owners will improve margins. Leveraging R&D, the company targets to enter high value silica markets (artificial marble, semiconductor crucibles) which will further improve margins.
- Despite potential cash tied up in working capital, the company has delivered strong profit growth of CAGR 45% over the past 10 years and 25% over the past 5 years.

## Key Risks

- ☑ Geopolitical concerns keep exports growth muted.
- ☑ Inventory stack up in Mar'26, due to probable supply chain concerns leading to higher inventory days.

## Valuations & Recommendation

With continuous capacity expansion, robust financial performance, and minimal leverage, RPEL stands out as a small-cap industrial growth story aligned with India's steel and manufacturing boom. However, elevated valuations and exposure to raw material volatility warrant a balanced investment outlook.

At the current price the stock trades at 59x its FY26 EPS and 38x FY27E EPS. We recommend a **BUY** with a target price of ₹850 (forward multiple of 46x for FY27E EPS and 29x FY28E EPS).

## Financials

	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY25	FY26 (Reported)	FY27E	FY28E
Operating Revenue	71	51	39.3%	64	9.4%	200	257	364	522
EBIDTA	21	14	47.5%	19	9.9%	54	75	109	162
EBIDTA M	30.1%	28.4%		30.0%		27.0%	29.2%	30.0%	31.0%
Profit for the Period	15	10	49.8%	14	7.5%	37	55	86	131
Profit Margin	21.5%	20.0%		21.9%		18.5%	21.3%	23.5%	25.0%
EPS (Dil)	3.30	2.21	49.3%	3.08	7.1%	8.05	11.94	18.64	28.43

##Sources: NSE, PIB, Capitaline Database, Company Website Mint, ET, Yahoo Finance, Investing.Com & CNBC TV18, EFL Research

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EFL's recommendation nomenclatures (12 months investment horizon)	
BUY	>15%
Accumulate	5% to 15%
Hold	5% to -5%
Reduce	-5% to 15%
Sell	< -15%
NR (Not Rated)	No specific call on the stock
UR (Under review)	Stock being reviewed – rating may change shortly

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