

#### Key Guidance for FY26 & FY27:

- Double digit growth from here looks very achievable on consolidated level- after seeing flattish revenue for the last couple of years.
- Margins (Including other income) will be maintained at around 22-23%.
- Elevated working capital (250–260 days) is being addressed through supplier localisation and tripartite financing arrangements; management targets normalization by March 2026.
- Overall revenue growth guidance (FY26) of 10-12% reiterated as tariff disruptions ease, with margins expected to remain structurally strong.

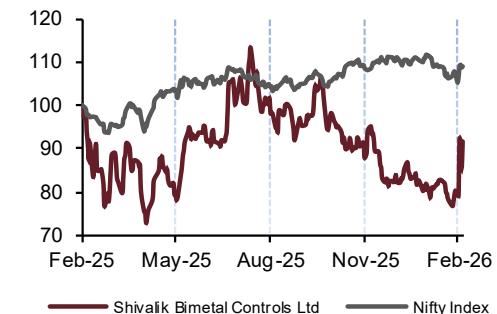
Rating	TP (Rs)	Up/Dn (%)
<b>HOLD</b>	<b>566</b>	<b>17</b>

#### Market Data

Current price	Rs	485
Market Cap (Rs.Bn)	(Rs Bn)	28
Market Cap (US \$ Mn)	(US \$ Mn)	310
Face Value	Rs	2
52 Weeks High/Low	Rs	730 / 454
Average Daily Volume	('000)	86
BSE Code		513097
Bloomberg		SBC.IN

Source: Bloomberg

#### One Year Performance



Source: Bloomberg

% Shareholding	Dec-25	Sep-25
Promoters	33.17	33.17
Public	66.83	66.83
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

Source: Bloomberg

#### Financial Summary

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net sales	4,704	5,089	5,083	5,673	7,065	8,555
EBITDA	1,089	1,063	1,037	1,240	1,665	1,820
Margins (%)	23.2	20.9	20.4	21.9	23.6	21.3
Adjusted net profit	791	843	771	911	1,225	1,357
EPS (Rs)	13.7	14.6	13.38	15.8	21.3	23.6
P/E (x)	35	33	36	30	23	20
EV/EBITDA (x)	26	26	27	22	17	15
RoCE (%)	33.66%	27.70%	23.67%	23.76%	25.97%	23.54%
RoE (%)	29.79%	24.67%	19.00%	18.72%	20.45%	18.76%

Source: Company

**Het Shah**

+91 22 67141414

[het.shah@dalal-broacha.com](mailto:het.shah@dalal-broacha.com)

## Q3FY26 Snapshot

(Rs.Mn)	Q3FY26	Q3FY25	YoY Growth	Q2FY26	QoQ Growth
<b>Revenue from Operations</b>	<b>1,342</b>	<b>1,233</b>	<b>9%</b>	<b>1,374</b>	<b>-2%</b>
Other Income	31	35	-11%	36	-14%
Total Mfg Cost	715	696	3%	727	-2%
Employee Benefits Expense	154	128	20%	146	5%
Other Expenses	151	164	-8%	190	-20%
Total Expenses	1,020	987	3%	1,063	-4%
<b>EBITDA (Excluding Other Income)</b>	<b>322</b>	<b>246</b>	<b>31%</b>	<b>311</b>	<b>4%</b>
Depreciation and Amortisation Expenses	35	30	17%	34	5%
<b>EBIT / PBIT</b>	<b>318</b>	<b>251</b>	<b>27%</b>	<b>313</b>	<b>2%</b>
Finance Costs	13	9	54%	11	16%
<b>Profit before share in profit of associate &amp; exceptional item</b>	<b>305</b>	<b>242</b>	<b>26%</b>	<b>302</b>	<b>1%</b>
Share in profit of associate (net of tax)	-0	1	-123%	23	-101%
<b>Profit before exceptional item</b>	<b>305</b>	<b>243</b>	<b>25%</b>	<b>324</b>	<b>-6%</b>
Exceptional item	-9	-	-	-	-
<b>EBT/PBT</b>	<b>295</b>	<b>243</b>	<b>21%</b>	<b>324</b>	<b>-9%</b>
Tax Expense	73	61	20%	76	-3%
<b>Net Profit after Tax</b>	<b>222</b>	<b>182</b>	<b>22%</b>	<b>249</b>	<b>-11%</b>
<b>Adj Net Profit after Tax</b>	<b>231</b>	<b>182</b>	<b>27%</b>	<b>249</b>	<b>-7%</b>
Adj Earning Per Share	4.01	3.2	27%	4.3	-7%
		-	-	-	-
<b>Margins (%)</b>		-	-		
Gross Margins	46.7%	43.6%	315	47.1%	-36
EBITDA Margins (Excl Other Income)	24.0%	19.9%	410	22.6%	140
PAT Margins	16.2%	14.4%	177	17.6%	-147
<b>As a % to sales</b>					
RM as a % to sales	53.28%	56.43%	-315	52.92%	36
EE Cost as a % to sales	11.44%	10.35%	108	10.65%	79
Other exps as a % to sales	11.27%	13.31%	-203	13.81%	-254

Source: Company, Dalal and Broacha Research

## Key Financial Highlights:

### For Q3FY26

- **Revenue from operations:** Rs 1342 Mn vs Rs 1233 Mn (+9% YoY) & Rs 1374 Mn (-2% QoQ)
- **EBITDA :** Rs 322 Mn vs Rs 246 Mn ( +31% YoY) & Rs 311 Mn (+4% QoQ)
- **EBITDA Margins:** 24% vs 19.9%(YoY) & 22.6%(QoQ)
- **ADJ PAT:** 231 Mn vs 18 Mn(27% YoY) & 249 Mn(-7% QoQ)
- **EPS:** 4.01 vs 3.2 (YoY) vs 4.3 (QoQ)

## Concall Highlights:

### Shunt Business:

- Regional mix in Q3FY26: Europe (+98.6% YoY) and Asia (+8.5% YoY) offset weakness in the Americas (- 22.3% YoY); India saw an 18.9% YoY rebound led by smart meters and industrial demand
- Q3FY26 shunt revenues grew 7.5% YoY to ₹55.0 crore, despite a 5.6% YoY decline in volumes, indicating strong pricing and favourable mix.
- Revenue mix remains healthy: ~60% from automotive applications and ~35% from energy meters.
- Balance 5% growth from Energy storage related & miscellaneous applications
- Strong traction seen with Japanese and global OEMs, particularly in automotive and energy metering applications.

### Bimetals Business:

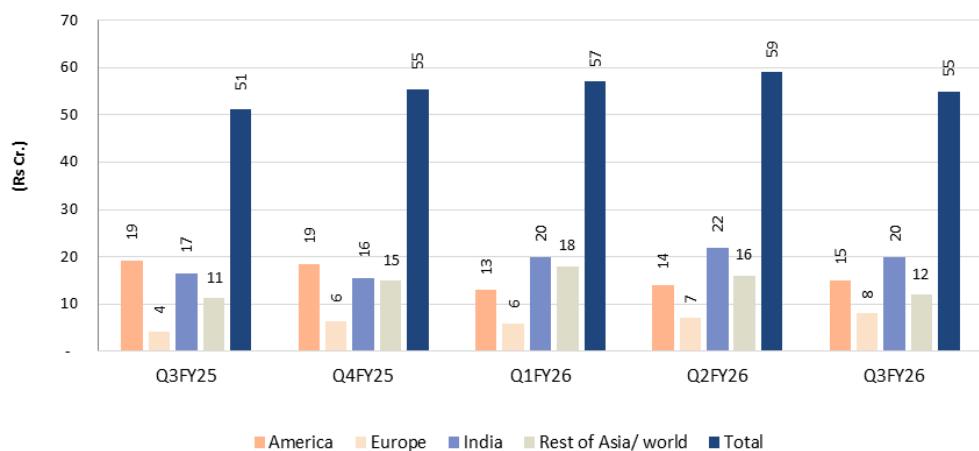
- Domestic market to see higher growth than exports basis strong underlying real-estate led demand.
- Indian market demand remains largely driven by the MCB / switchgear segment, which has been relatively flat during the quarter.
- Regional performance in Q3FY26: Europe (+42.0% YoY) and Asia (+42.6% YoY) showed strong growth, while Americas (-7.2% YoY) and India (-11.7% YoY) were softer.
- Management is actively pursuing R&D-led diversification to deploy capacity beyond traditional switchgear applications.

### Forward Integration (PCBA + Busbar):

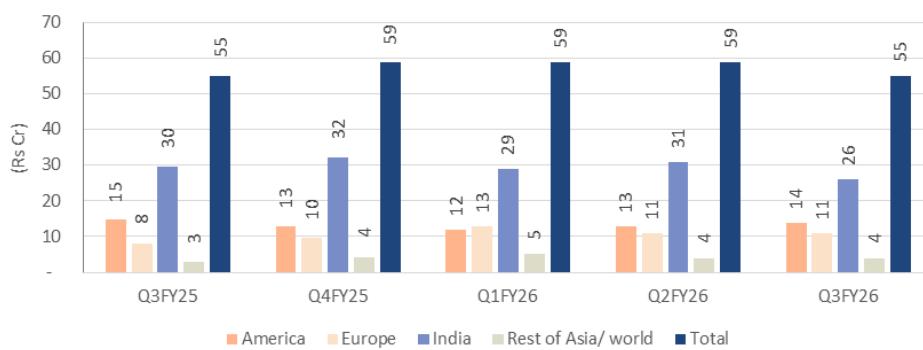
- The Board approved setting up a new Pune facility focused on automotive busbars, connectors and assembly operations.
- Planned capex of ~₹20 crore will be funded entirely through internal accruals; the rented, ready-to-use facility is expected to commence phased operations from 2026, with capacity additions starting Q1 FY27.
- Assembly business revenue potential estimated at ₹70–75 crore in FY27, scaling up to ₹250–300 crore over three years.
- PCBA integration remains on track, supporting higher value addition and deeper customer engagement
- Shift from exporting raw strips to value-added components, accelerated by US tariffs, is expected to sustain EBITDA margins in the 22-23% range despite slightly lower margins in assembly.
- EB welding capabilities built over 30+ years continue to act as a strong competitive moat with no direct domestic competition.

## Region wise Sales

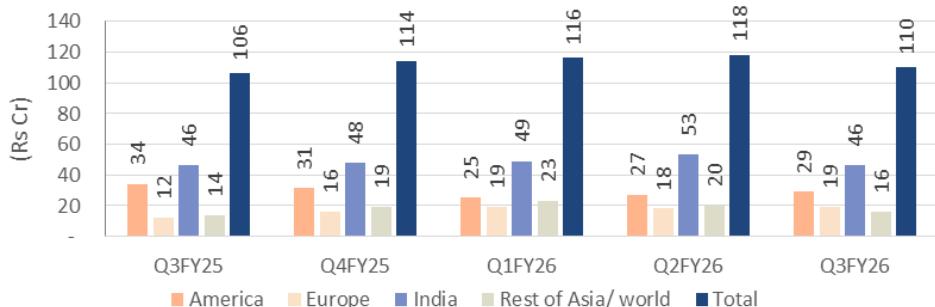
### SHUNT



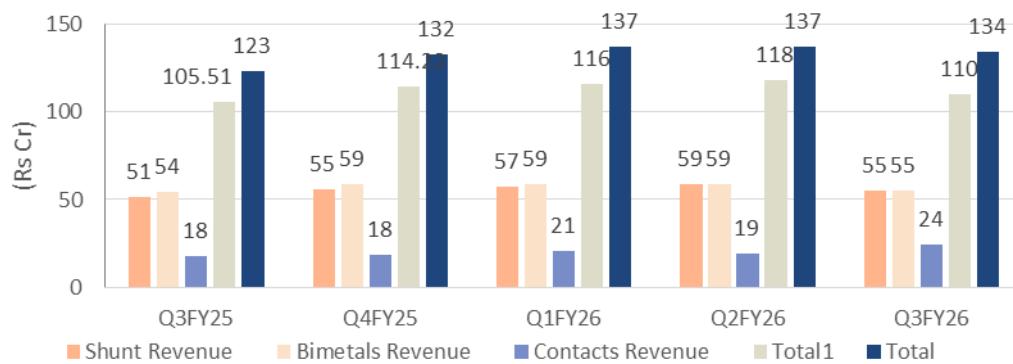
### Thermostatic Bimetals



### Total Revenues



### SBCL Revenue Split By Product



Source: Company, Dalal & Broacha Research

**Valuations and Outlook:**

**Backed by structural demand tailwinds across electric vehicles, smart meters and switchgear, the Company has multiple growth levers in place. Improved clarity on forward-integration initiatives further enhances growth visibility, making sustained double-digit revenue growth achievable over the medium term.**

At current market price of 485, Shivalik trades at 30x/23x/20x FY26/27/28e EPS of Rs 15.8/21.3/23.6 respectively. The new products & forward integration measures provide a new lever of growth. We have a “HOLD” rating & have valued Shivalik at 24x Mar’28e EPS of Rs 23.6 to arrive at a TP of Rs 566 (~17% Upside).

## Financials

P&L (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	3,240	4,704	5,089	5,083	5,673	7,065	8,555
Total Raw material consumed	1,611	2,452	2,828	2,893	3,064	3,674	4,277
Employee Cost	271	389	427	497	596	715	894
Other Expenses	623	774	771	657	774	1,011	1,563
<b>Operating Profit</b>	<b>735</b>	<b>1,089</b>	<b>1,063</b>	<b>1,037</b>	<b>1,240</b>	<b>1,665</b>	<b>1,820</b>
Depreciation	64	105	121	118	153	178	190
PBIT	671	984	942	919	1,087	1,487	1,630
Other income	54	99	191	128	142	177	214
Interest	28	70	49	38	51	71	86
PBT ( Before share of JV/associates)	698	1,013	1,084	1,010	1,178	1,593	1,758
Share of JV/Associates	35	10	33	17	37	41	51
PBT	733	1,023	1,118	1,027	1,215	1,633	1,809
Provision for tax	182	232	275	257	304	408	452
PAT (From continuing operations)	551	791	843	771	911	1,225	1,357
PAT (From Discontinuing operations )	-	-	-	-	-	-	-
MI							
Reported PAT	551	791	843	771	911	1,225	1,357
<b>Adjusted Profit</b>	<b>551</b>	<b>791</b>	<b>843</b>	<b>771</b>	<b>911</b>	<b>1,225</b>	<b>1,357</b>

Source: Dalal &amp; Broacha Research

Balance Sheet ( Rs mn )	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity capital	77	115	115	115	115	115	115
Reserves	1,839	2,540	3,300	3,941	4,752	5,873	7,115
<b>Net worth</b>	<b>1,916</b>	<b>2,655</b>	<b>3,415</b>	<b>4,057</b>	<b>4,867</b>	<b>5,988</b>	<b>7,230</b>
Minority Interest	-	-	-	-	-	-	-
<b>Non Current Liabilities</b>	<b>208</b>	<b>290</b>	<b>191</b>	<b>201</b>	<b>177</b>	<b>161</b>	<b>148</b>
<b>Current Liabilities</b>	<b>954</b>	<b>953</b>	<b>822</b>	<b>821</b>	<b>946</b>	<b>1,201</b>	<b>1,422</b>
<b>Other Liabilities( associated with discontinued operations/ assets held for sale )</b>	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>3,084</b>	<b>3,897</b>	<b>4,428</b>	<b>5,079</b>	<b>5,990</b>	<b>7,350</b>	<b>8,800</b>
<b>Non Current Assets</b>	<b>1,085</b>	<b>1,361</b>	<b>1,478</b>	<b>1,785</b>	<b>1,530</b>	<b>1,732</b>	<b>1,715</b>
Fixed Assets	850	1,203	1,298	1,570	1,295	1,452	1,387
Goodwill	-	20	127	20	20	20	20
Non Current Investments	185	98	131	148	163	198	235
Loans							
Non-current assets tax (net)	0	1	2	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-	-
Other Financial Assets	-	4	5	10	10	10	10
Other Non Current Assets	50	36	25	37	41	52	63
<b>Current Assets</b>	<b>1,993</b>	<b>2,536</b>	<b>2,949</b>	<b>3,294</b>	<b>4,460</b>	<b>5,619</b>	<b>7,085</b>
Current investments	-	-	-	-	-	-	-
Inventories	1,149	1,320	1,279	1,312	1,511	1,761	1,992
Trade Receivables	593	932	1,137	1,115	1,166	1,452	1,758
Cash and Bank Balances	109	177	112	209	367	318	525
Other bank balances	9	2	277	581	1,331	1,981	2,681
Short Term Loans and Advances	-	-	-	-	-	-	-
Other Financial Assets	0	1	88	39	44	55	66
Other current assets tax (net)	0	1	2	-	-	-	-
Other current assets	133	103	54	37	41	52	62
<b>TOTAL ASSETS</b>	<b>3,078</b>	<b>3,897</b>	<b>4,428</b>	<b>5,079</b>	<b>5,990</b>	<b>7,350</b>	<b>8,800</b>

Source: Dalal &amp; Broacha Research

OPM	22.68%	23.16%	20.88%	20.40%	21.86%	23.56%	21.28%
NPM	16.73%	16.47%	15.96%	14.78%	15.67%	16.91%	15.47%
Tax Rate	24.81%	22.68%	24.60%	24.98%	25.00%	25.00%	25.00%
<b>Growth Ratios (%)</b>							
Net Sales	18.00%	45.18%	8.20%	-0.11%	11.61%	24.53%	21.08%
Operating Profit	103.34%	48.27%	-2.44%	-2.42%	19.56%	34.25%	9.33%
PBT	34.68%	45.13%	7.06%	-6.82%	16.62%	35.16%	10.40%
<b>PAT</b>							
CFO/EBITDA Ratio	35.96%	43.53%	6.53%	-8.56%	18.27%	34.39%	10.76%
CFO/PAT Ratio	-0.05	0.60	0.64	0.90	0.74	0.64	0.44
	-0.06	0.83	0.81	1.21	1.00	0.86	0.59
<b>Per Share (Rs.)</b>							
Net Earnings (EPS)	14.35	13.73	14.63	13.38	15.82	21.26	23.55
Cash Earnings (CPS)	16.01	15.56	16.72	15.42	18.47	24.36	26.85
Payout ratio	7%	9%	10%	20%	11%	8%	8%
Dividend	1.00	1.20	1.40	2.70	1.75	1.80	2.00
Book Value per share (BVPS)	49.89	46.09	59.29	70.42	84.49	103.96	125.51
Free Cash Flow	(263)	179	470	546	1,036	724	673
<b>Valuation Ratios</b>							
P/E(x)	33.38	34.88	32.74	35.81	30.28	22.53	20.34
P/B(x)	9.60	10.39	8.08	6.80	5.67	4.61	3.82
EV/EBIDTA(x)	25.67	25.70	26.25	26.72	22.24	16.64	15.15
Div. Yield(%)	0.21	0.25	0.29	0.56	0.37	0.38	0.42
FCFF Yield(%)	(1.43)	0.65	1.70	1.98	3.75	2.62	2.44
<b>Return Ratios (%)</b>							
ROE	28.76%	29.79%	24.67%	19.00%	18.72%	20.45%	18.76%
ROCE	29.49%	33.66%	27.70%	23.67%	23.76%	25.97%	23.54%

Source: Company, Dalal and Broacha Research

## Disclaimer

**Dalal & Broacha Stock Broking Pvt Ltd, hereinafter referred to as D&B** (CINU67120MH1997PTC111186) was established in 1997 and is an integrated financial services player offering an extensive range of financial solutions and services to a wide spectrum of customers with varied needs ranging from equities to mutual funds to depository services.

D&B is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). D&B along with its affiliates offers the most comprehensive avenues for investments and is engaged in the securities businesses including stock broking (Institutional and retail), depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. [www.dalal-broacha.com](http://www.dalal-broacha.com)

D&B is registered as Research Analyst with SEBI bearing registration Number INH000001246 as per SEBI (Research Analysts) Regulations, 2014.

D&B hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in any time in the past. It has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on D&B for certain operational deviations in routine course of business.

D&B offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

**Other disclosures by D&B (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-**

D&B or its associates may have financial interest in the subject company.

D&B or its associates do not have any material conflict of interest in the subject company.

The Research Analyst or Research Entity (D&B) has not been engaged in market making activity for the subject company.

D&B or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

**Disclosures in respect of Research Analyst:**

Whether Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report:	No
Whether the Research Analyst or his/her relative's financial interest in the subject company.	No
Whether the research Analyst has served as officer, director or employee of the subject company	No
Whether the Research Analyst has received any compensation from the subject company in the past twelve months	No
Whether the Research Analyst has managed or co-managed public offering of securities for the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation or other benefits from the subject company or third party in connection with the research report	No

D&B and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject D&B or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to D&B. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of D&B. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of D&B or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.  
Tel: 91-22- 2282 2992, 2287 6173 | E-mail: [equity.research@dalal-broacha.com](mailto:equity.research@dalal-broacha.com)