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Dated: 30 July 2026

PCBL CHEMICAL LTD. (PCBL) - ADD

Q1FY27 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 366	**Rs.400**

Rationale:

- A strong Q1FY27 benefiting from improved realizations, inventory gains and disciplined pricing amidst crude oil volatility.
- Net sales increased 17% YoY & 19.7% QoQ to Rs 2,473 crore (~15% above estimates).
- Carbon black volumes remained broadly stable at ~1.54 lakh tonnes.
- Aquapharm reported revenue of Rs 394 crore and EBITDA of Rs 47 crore, with management remaining optimistic on volume-led growth.
- Revise FY27E/FY28E EPS to Rs 12.7/Rs 16.3 and upgrade FV to Rs 400 (earlier Rs 345).
- While the long-term growth drivers remain intact, we expect the earnings recovery to strengthen over H2FY27 and gather further momentum in FY28. Revise to ADD rating.

Positives:

- Blended realisations in Q1 came in at Rs ~161k per tonne (17.4% up YoY, 26.2% QoQ).
- Domestic carbon black volumes grew 15% YoY to ~103kt.
- Commissioned a 20ktpa Specialty Black line at Mundra during Q1FY27.
- India's favourable trade agreements, tariff advantages in the US and reduced Russian carbon black exports expected to improve export competitiveness over medium term.

Negatives:

- Management indicated that customer destocking and cautious procurement may temporarily impact Q2 volumes.
- PCBL’s volume during the quarter was at 1,53,513 MT, down -0.4%/-5.2% YoY/QoQ.
- Decline in exports came due to due to logistical disruptions and longer transit routes.

(EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortization; MT – Metric Ton; ktpa – Kilo Tonnes Per Annum; EPS – Earnings Per Share)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto/Auto Ancillary, Building Material
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Analyst
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 6434

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Gaurav Bhandari
Research Analyst
bhandari.gaurav@kotak.com
+91 22 6218 6440

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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