Sector: Diversified Metals | **RESULT REVIEW Q2FY27** | **Declared On: 12 Nov 2026**

Pondy Oxides & Chemicals Limited

RECOMMENDATION SNAPSHOT				
*CMP	Target	Potential Upside	MCap (Rsbn)	Recommendation
Rs374	Rs500	34%	28.5	Accumulate

**as on 17th Nov, 2026*

About the Company:

Incorporated in 1995, Pondy Oxides & Chemicals Ltd (POCL) is India's leading secondary lead smelter while being a lead, lead alloys and plastic additives producer. POCL has 4 business segments i.e. lead, copper, aluminium and plastics. POCL operations are spread across an extensive product basket that spreads across categories of lead manufacturing, litharge, red lead, zinc oxide, lead sub oxide metallic oxides, PVC stabilizers (solid and liquid), lead metals and alloys that are supplemented with various industrial applications. POCL extracts lead and other metals from scrap batteries and reuses the same after refining. POCL has been able to refine lead to 99.99% purity. The customers list mainly includes battery manufacturers, chemical manufacturers and PVC extruded and moulded products. POCL operates through its state-of-the-art lead manufacturing units in Tamil Nadu and Andhra Pradesh, which are complemented by smart and lean aluminium and plastic manufacturing facilities in Tamil Nadu. Mr. Ashish Bansal is the Managing Director of the company.

Results: Quick Glance:

- The net sales for the quarter reported growth of 10.6% to Rs7085mn as compared to Rs6404mn in the same quarter last year
- The Ebitda margins for the quarter under review stood at 4.5% as against 8.4% in Q2FY26
- The company reported profit of Rs197mn as compared to Rs339mn in the same quarter last year
- The EPS for the quarter stood at Rs2.58 as compared to Rs4.60 in the corresponding period of last year
- For H1FY27, the revenues came in at Rs16434mn as compared to Rs12432mn; growth of 32.2% while the PAT stood at Rs556mn as against Rs590mn. The EPS for H1FY27 came in at Rs7.29 as against Rs8.02 in H1FY26

Conference Call Highlights:

- During the quarter under review, the lead sales volumes fell to 15,000-16,000 tons as it was constrained by raw material shortages and elevated shipping costs from West Asia supply chain disruptions. The earlier FY27E guidance of ~120,000-130,000 tons was formally abandoned because of the current situation. The quarter under review saw the proportion of value-added products drop to ~60-65% from ~85% in Q1FY27 as some of the customers insisted on higher pure-lead volumes to meet their own requirements; which was a major driver of the Ebitda per ton to decline
- POCL delivered a resilient performance in H1FY27 despite supply chain disruptions and challenges in raw material availability. The domestic share for H1FY27 was ~54%, while exports for lead was ~55% and that of copper was ~39%. During H1FY27, **copper production** and **sales** grew nearly 3x on a y-o-y basis supported by improved capacity utilisation, while **lead volumes** moderated due to supply chain disruptions. In H1FY27, lead and copper Ebitda per tonne stood at Rs18,617 and Rs44,536, respectively. With regard to the **incremental** 6000MTPA copper recycling capacity commissioned in Q4FY26, the same has achieved a capacity utilisation of atleast 90% during FY27E whereas the expanded 72,000MTPA **lead capacity** operated at 40% utilization during H1FY27. This is further expected to ramp-up to ~70% over the ensuing quarters
- As far as the lead and copper procurements are concerned, the company has already undertaken strategic steps to divert the sourcing routes to South America, Southeast Asia, UK, Australia, New Zealand and domestic channels as well. Earlier the company used to procure atleast ~5-8% from the Middle East; the same has been stopped. With respect to volumes, the Management expects a minimum of 25,000MT per quarter in the next financial year. The Management expects a turnaround related to these concerns to be reflected in Q4FY27
- For **copper cathode** project (in Tamil Nadu), phase 1 (out of the total capacity of 36,000MT) ~18,000MT target remains intact for commissioning by December 2026; trial runs are anticipated in Q4FY27 whereas phase 2 is anticipated to be commissioned by Q3FY28. The company intends to utilise ~60-70% of internally generated recycled copper for this project. Out of the total project cost of ~Rs2000mn; the company has already spent Rs600mn. The Management expects the **copper cathode** project to generate an Ebitda of ~Rs65,000-70,000/tonne, ~Rs35,000-40,000/tonne for the **copper recycling plant** and ~Rs18,000-20,000/tonne for **lead recycling**
- The Management intends to target **lead sales** of ~75,000MT and **copper sales** of ~10,000MT in FY27E whereas for FY28E, lead sales are expected to be more than 100,000MT while copper would be at ~20,000MT
- The volume growth of 15%, 20%+ revenue CAGR, Ebitda margins of more than 8% and RoCE of 20%+ are the targets set for 2030

Conference Call Highlights (contd.):

- POCL has already adopted for negotiations with the buyers/clients at the international level; the second round of negotiation are yet to commence as the contracts would start from Q4FY27
- With respect to the recent ban imposed by GOI on lithium-ion battery black mass; for the time being has no connection with the business of POCL. The company at present is not venturing into options for lithium-ion battery recycling. In terms of contingency plans if the EU restricts metal scrap exports; the Management indicated the ban is anticipated more towards aluminium scrap segment rather than copper/lead; GOI is actively negotiating with the EU authorities. POCL's copper scrap import from Europe is ~5-8% of the current requirement
- POCL delivered positive CFO of Rs2,972mn in H1FY27 and maintained a net cash-positive balance sheet. The capex incurred in H1FY27 stood at Rs160mn and the company intends to spend additional Rs1640mn for the balance FY27E

Financials:

Performance (Q2FY27)									
Q2FY27 Result (Rs mn)	**Sept-26**	**Sept-25**	**y-o-y**	**Jun-26**	**q-o-q**	**H1FY27**	**H1FY26**	**y-o-y**	**FY27E**
Total Revenue	7085	6404	10.6%	9349	(24.2%)	16434	12432	32.2%	33950
EBITDA	319	536	(40.5%)	558	(42.9%)	877	945	(7.2%)	2410
Other Income	13	11	21.4%	4	-	18	25	(28.5%)	37
Interest	6	16	(62.4%)	25	(76.3%)	31	47	(35.1%)	71
Depreciation	66	69	(4.1%)	64	2.8%	130	116	12.5%	262
Exceptional Items	0	0	-	0	-	0	0	-	0
Tax	63	123	(48.9%)	115	(45.1%)	178	216	(17.8%)	558
Net Profit	**197**	**339**	**(41.8%)**	**359**	**(45.1%)**	**556**	**590**	**(5.8%)**	**1556**

Outlook and Recommendations:

POCL delivered an overall mixed performance for the quarter under review attributed to a moderate growth on the topline. The company observed subdued lead volumes during the quarter on account of sourcing concerns due to the supply chain disruptions that impacted the shipping routes. In addition to this the value-added mix too saw a shift from ~85% in Q1FY27 to ~60-65% in Q2FY27. Apart from this, higher power & fuel, logistics costs and lower lead volumes added to the overall pressure on the Ebitda margins (stood at 4.5%) as well as the profitability (de-grew by ~42%). Although the concerns were related to the lead sourcing and macro headwinds, the copper business was the main growth engine both for Q2FY27 as well as H1FY27. The copper business contributed ~47% to the overall sales in H1FY27 and the Management further expects the business to contribute ~45% in FY27E.

Diversification measures should enable the company to stabilise the lead volumes and overall margins in the near term. Despite the external concerns, the company was in a position to generate a healthy CFO in H1FY27 and maintained a healthy balance sheet status. This provides a better cushion in order to support the capex commitment that has been set by the Management towards the upcoming projects. In the upcoming quarters, India is looking at a significant copper demand-supply gap which is expected to widen over the next 8-12 quarters owing to GOI infrastructure plans. Some portion of this demand can be catered to by POCL. The Management sees no significant competition risk on margins, as they are well covered on sourcing and sales. POCL continues to retain its long-term growth plans which are inclusive of volume growth, better margins and more value-added revenues. The avenues for growth consist of scale up of copper operations, improvement in product mix, recovery expected in lead volumes and better contribution from value-added products. We feel that the temporary blip in the operation will be compensated for in H2FY27; however, we have cut our estimates and target price to Rs500 (earlier target price was Rs640).

DISCLAIMERS AND DISCLOSURES-

Progressive Share Brokers Pvt. Ltd. and its affiliates are a full-service, brokerage and financing group. Progressive Share Brokers Pvt. Ltd. (PSBPL) along with its affiliates are participants in virtually all securities trading markets in India. PSBPL started its operation on the National Stock Exchange (NSE) in 1996. PSBPL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) for its stock broking services and is Depository Participant with Central Depository Services Limited (CDSL) and is a member of Association of Mutual Funds of India (AMFI) for distribution of financial products.

PSBPL is SEBI registered Research Analyst under SEBI (Research Analysts) Regulations, 2014 with SEBI Registration No. INH000000859/Research Analyst BSE Enlistment No. 5049. PSBPL 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 last five years. PSBPL 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.

PSBPL 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 Progressive Share Brokers Pvt. Ltd. (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company (s) covered in this report-:

· PSBPL or its associates financial interest in the subject company: NO

· Research Analyst (s) or his/her relative's financial interest in the subject company: NO

· PSBPL or its associates and Research Analyst or his/her relative's does not have any material conflict of interest in the subject company. The research Analyst or research entity (PSBPL) has not been engaged in market making activity for the subject company.

· PSBPL or its associates 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

· 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

· PSBPL or its associates may have received any compensation including for brokerage services from the subject company in the past 12 months. PSBPL or its associates may have received compensation for products or services other than brokerage services from the subject company in the past 12 months. PSBPL or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Subject Company may have been client of PSBPL or its associates during twelve months preceding the date of distribution of the research report and PSBPL may have co-managed public offering of securities for the subject company in the past twelve months.

· The research analyst has served as officer, director or employee of the subject company: NO

· Registration granted by SEBI and certification from NISM is in no way guarantee performance of the intermediary or provide any assurance of returns to investors

PSBPL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our sales people, 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 (if any) 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 PSBPL or its group companies to any registration or licensing requirement within such jurisdiction. If this document is sent or has reached any individual in such country, especially, USA, the same may be ignored. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. 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 PSBPL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of PSBPL 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.

Terms & Conditions:

This report has been prepared by PSBPL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of PSBPL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and its at the discretion of the clients to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. PSBPL will not treat recipients as customers by virtue of their receiving this report.

Registered Office Address:

Progressive Share Brokers Pvt. Ltd,

122-124, Laxmi Plaza, Laxmi Indl Estate,

New Link Rd, Andheri West,

Mumbai-400053, Maharashtra

www.progressiveshares.com | Contact No.:022-40777500

Compliance Officer:

Ms. Mamatha Poojari,

Email: compliance@progressiveshares.com,

Contact No.:022-40777500

Grievance Officer:
Email: grievancecell@progressiveshares.com