RATING REDUCE | CMP INR 1,102 | TP INR 986

PL Capital PRABHUDAS LILLADHER

Carborundum Universal (CU IN)

Q4FY26 Result Update

May 16, 2026

☑ Estimate Change | ☑ Target | ☑ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Reduce		HOLD	
Target Price	986		825	
Sales (INR mn)	54,321	59,829	56,005	61,696
% Chng.	*(3.0)*	*(3.0)*		
EBITDA (INR mn)	7,551	9,154	7,449	8,699
% Chng.	*1.4*	*5.2*		
EPS (INR)	21.6	26.7	21.5	25.3
% Chng.	*0.5*	*5.7*		

Key Data CRBR.BO | CU IN

BSE Code	513375
NSE Code	CARBORUNIV
52-W High / Low	INR 1,124 / INR 734
Face Value	1
Sensex / Nifty	75,238 / 23,644
Market Cap	INR 210 bn / $ 2,188 mn
Shares Outstanding	190.49 mn
3M Avg. Daily Value	INR 183.62 mn

Shareholding Pattern (%)

Promoters	38.90
FIIs	10.73
Mutual Funds	27.80
Domestic Institutions	1.66
Public & Others	20.91
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	24.1	33.5	24.5	12.0
Relative	28.9	46.7	40.0	22.9

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	48,942	52,063	54,321	59,829
EBITDA (INR mn)	7,118	5,833	7,551	9,154
Margin (%)	*14.5*	*11.2*	*14.0*	*16.0*
PAT (INR mn)	3,552	2,705	4,120	5,093
EV (INR mn)	208,664	206,926	205,430	203,194
Total Debt (INR mn)	1,202	3,050	2,850	2,600
C&C Eq. (INR mn)	3,806	7,004	8,649	10,803
EPS (INR)	18.7	14.2	21.6	26.7
Gr. (%)	*(23.0)*	*(23.9)*	*52.2*	*23.6*
DPS (INR)	4.0	4.0	5.4	11.2
Yield (%)	*0.4*	*0.4*	*0.5*	*1.0*
RoE (%)	*10.7*	*7.3*	*10.2*	*11.6*
RoCE (%)	*14.5*	*8.6*	*11.2*	*13.1*
EV/Sales (x)	4.3	4.0	3.8	3.4
EV/EBITDA (x)	29.3	35.5	27.2	22.2
PE (x)	59.1	77.6	51.0	41.2
P/BV (x)	5.9	5.4	5.0	4.6

Mixed Q4, subsidiaries recovery remains a key to watch

Quick Pointers

- Management guided for consolidated revenue growth of ~4–4.5% YoY in FY27; however, excluding the impact of Foskor Zirconia and Awuko, underlying growth is expected at ~11–12%.
- Abrasives growth is guided at ~5.5-6% (11-12% adj. for Awuko), Ceramics at ~15-15.5%, while underlying Electro Minerals growth is expected at ~8-9% excluding the Foskor impact.

Carborundum Universal (CUMI) reported a mixed Q4FY26 performance with consolidated revenue growth of 15.4% YoY to driven by broad-based growth across Abrasives (+13.4% YoY), Ceramics (+18.6% YoY) and Electrominerals (+14.0% YoY) while EBITDA margins contracted by 171bps due to weakness Rhodius abrasives, Awuko abrasives and Foskor Zirconia. The Abrasives segment witnessed healthy recovery supported by dealer additions, new product launches, GST-led demand normalization and improving retail and industrial demand, while export competitiveness also improved following reduction in Chinese export incentives. Ceramics continued to benefit from traction in engineered ceramics, SOFC-linked applications and metallized cylinders, whereas Electro Minerals growth was led by exports of treated grain products aided by anti-dumping duties on Chinese imports in Europe. However, consolidated profitability remained impacted by continued losses in overseas subsidiaries including Awuko, Foskor Zirconia and VAW Russia, leading the company to initiate restructuring and closure measures in Awuko and Foskor Zirconia. Going forward, management expects underlying growth momentum to remain stable across core businesses, supported by investments advanced ceramics, semiconductor-related applications and export opportunities, although normalization in overseas subsidiaries and global demand conditions remain key monitorable

Long term: While near-term challenges persist due to continued weakness in overseas subsidiaries however we remain constructive on CUMI's long term outlook supported by 1) healthy domestic demand, 2) capacity expansion in Electrominerals and Abrasives 3) value-added product launches in Engineered ceramics, and 4) strong market reach and exports. The stock is trading at a P/E of 51.0x/41.2x on FY27/28E earnings. We revise our FY27/28 EPS estimates by 0.5%/5.7% adjusting for the wind-up of loss-making subsidiaries Awuko and Foskor Zirconia, along with improving broad based recovery across core businesses. We roll forward to Mar'28E and downgrade our rating from 'Hold' to 'Reduce' given recent rally in stock price with a SoTP-based revised TP of Rs986 (Rs825 earlier) valuing Abrasives/Ceramics/Electrominerals at 33x/40x/15x Mar'28E (30x/34x/15x Sep'27E).

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	*% Var.*	Q4'25A	*YoY gr. (%)*
Net Sales (INR mn)	12,959	13,984	*8.0*	12,171	*15.0*
EBITDA (INR mn)	1,606	1,442	*-10.0*	1,463	*-1.0*
Margin (%)	*12.4*	*10.3*	*-210 bps*	*12.0*	*-170 bps*
PAT (INR mn)	661	1,170	*77.0*	291	*302.0*

Source: Company, PL

Amit Anwani
amitanwani@plindia.com | +91-22-66322250

Prathmesh Salunkhe
prathmeshsalunkhe@plindia.com | +91-22-66322324

Hitesh Agarwal
hiteshagarwal@plindia.com | +91-22-66322535

Revenue grew with lower gross margins impacting the profitability: Consolidated revenue was up 15.4% YoY to Rs13.8bn (Ple: Rs13.0bn). Gross margin contracted by 376bps YoY to 59.0%. (Ple: 61.3%). EBITDA declined by 1.4% YoY to Rs1.4bn (PLe: Rs1.6bn) while EBITDA margin contracted by 171bps YoY to 10.3% (PLe: 12.4%) primarily due to lower gross margin. PBT (ex-extra-ordinaries) increased by 3% YoY to Rs961mn (Ple: Rs1.1bn) aided by higher other income (Rs227mn Vs Rs63mn in Q4FY25). Reported PAT (before Jvs/MIs) loss of Rs486mn (Vs profit of Rs187mn in Q4FY25) due to written down of assets of CUMI AWUKO business (Rs1.2bn) and Foskor Zirconia (Rs160mn) which we have accounted under exceptional items. Adj. PAT came in at Rs1.0bn vs Rs291mn in Q4FY25.

Margins contracted across segments with healthy growth in topline: Abrasives sales improved 13.4% YoY to Rs6.1bn mainly driven by standalone business. Abrasives EBIT margin contracted by 105bps YoY to 5.2%. Ceramics revenue growth increased by 18.6% YoY to Rs3.5bn driven by standalone business while its EBIT margin contracted by 709bps YoY to 17.8% primarily due to decline in standalone margins Electrominerals sales increased by 14% to Rs4.3bn while its EBIT margin expanded by 206bps YoY to 4.5% likely on account of impact on sanctions on VAW.

Exhibit 1 : Revenue increased by 15.4% YoY to Rs13.8bn with gross margin contracted by 376bps YoY to 59%

Y/e March (INR mn)	Q4FY26	Q4FY25	YoY gr.	Q4FY26E	% Var.	Q3FY26	QoQ gr.	FY26*	FY25*	YoY gr.
Sales	**13,832**	**11,989**	***15.4%***	**12,793**	***8.1%***	**12,728**	***8.7%***	**51,494**	**48,335**	***6.5%***
Other Operating income	152	182	*-16.7%*	165	*-8.3%*	180	*-15.9%*	569	607	*-6.2%*
Total Revenue	**13,984**	**12,171**	***14.9%***	**12,959**	***7.9%***	**12,909**	***8.3%***	**52,063**	**48,942**	***6.4%***
Gross Profit	8,251	7,639	*8.0%*	7,947	*3.8%*	7,812	*5.6%*	31,692	30,992	*2.3%*
Margin (%)	*59.0*	*62.8*	*(376)*	*61.3*	*(232)*	*60.5*	*(152)*	*60.9*	*63.3*	*(245)*
Employee Cost	2,419	2,249	*7.6%*	2,245	*7.7%*	2,276	*6.3%*	9,488	8,623	*10.0%*
as % of sales	*17.5*	*18.8*	*(126)*	*17.6*	*(6)*	*17.9*	*(39)*	*18.4*	*17.8*	*59*
Power & Fuel	1,362	1,172	*16.2%*	1,271	*7.2%*	1,291	*5.5%*	5,144	4,667	*10.2%*
as % of sales	*9.8*	*9.8*	*7*	*9.9*	*(9)*	*10.1*	*(30)*	*10.0*	*9.7*	*33*
Other expenditure	3,028	2,756	*9.9%*	2,825	*7.2%*	2,631	*15.1%*	11,227	10,585	*6.1%*
as % of sales	*21.9*	*23.0*	*(109)*	*22.1*	*(19)*	*20.7*	*122*	*21.8*	*21.9*	*(10)*
EBITDA	**1,442**	**1,463**	***-1.4%***	**1,606**	***-10.2%***	**1,614**	***-10.7%***	**5,832**	**7,118**	***-18.1%***
Margin (%)	*10.3*	*12.0*	*(171)*	*12.4*	*(208)*	*12.5*	*(219)*	*11.2*	*14.5*	*(334)*
Depreciation	645	561	*15.1%*	640	*0.8%*	611	*5.5%*	2,468	2,120	*16.4%*
EBIT	**796**	**902**	***-11.7%***	**966**	***-17.5%***	**1,003**	***-20.6%***	**3,364**	**4,997**	***-32.7%***
Margin (%)	*5.7*	*7.4*	*(172)*	*7.5*	*(176)*	*7.8*	*(207)*	*6.5*	*10.2*	*(375)*
Other Income	227	63	*263.1%*	172	*32.2%*	133	*70.9%*	717	410	*74.8%*
Interest	63	31	*99.7%*	25	*147.6%*	46	*36.2%*	188	140	*34.3%*
PBT (ex. Extra-ordinaries)	**961**	**934**	***3.0%***	**1,113**	***-13.6%***	**1,090**	***-11.8%***	**3,893**	**5,268**	***-26.1%***
Margin (%)	*6.9*	*7.7*	*(80)*	*8.6*	*(171)*	*8.4*	*(157)*	*7.5*	*10.8*	*(329)*
Extraordinary Items	(1,346)	-		-	*0.0%*	(43)	*0.0%*	(1,389)	(1,041)	
PBT	**(384)**	**934**	***-141.2%***	**1,113**	***-134.6%***	**1,047**	***-136.7%***	**2,504**	**4,226**	***-40.7%***
Total Tax	102	746	*-86.3%*	338	*-69.9%*	400	*-74.5%*	1,139	1,692	*-32.7%*
Effective Tax Rate (%)	*(26.5)*	*79.9*	*(10,647)*	*30.4*	*(5,694)*	*38.2*	*(6,474)*	*45.5*	*40.0*	*545*
PAT before JVs/MI	**(486)**	**187**	***-359.7%***	**774**	***-162.8%***	**647**	***-175.2%***	**1,365**	**2,535**	***-46.1%***
Share of Profit/loss from JVs/MI	311	104	*198.4%*	(113)	*-373.9%*	113	*176.1%*	582	392	*48.2%*
Reported PAT	**(176)**	**291**	***-160.4%***	**661**	***-126.6%***	**759**	***-123.2%***	**1,947**	**2,927**	***-33.5%***
Adj. PAT	**1,027**	**291**	***252.4%***	**661**	***55.4%***	**786**	***30.7%***	**2,930**	**3,552**	***-17.5%***
Margin (%)	*7.3*	*2.4*	*495*	*5.1*	*225*	*6.1*	*126*	*5.6*	*7.3*	*(163)*
Adj. EPS	**5.4**	**1.5**	***253.4%***	**3.5**	***55.8%***	**4.1**	***30.7%***	**15.4**	**18.7**	***-17.5%***

*Source: Company, PL *Includes Awuko and Foskor Zirconia*

Exhibit 2 : Ceramics EBIT margins declined by 709bps YoY while revenue increased by 18.6% YoY to Rs3.5bn

Segment Breakup	Q4FY26	Q4FY25	YoY gr.	Q4FY26E	% Var.	Q3FY26	QoQ gr.	FY26*	FY25*	YoY gr.
Revenue (INR mn)										
Abrasives	6,101	5,381	13.4%	5,838	4.5%	5,692	7.2%	22,706	21,594	5.1%
Ceramics	3,513	2,963	18.6%	3,740	-6.1%	3,156	11.3%	12,680	11,601	9.3%
Electrominerals	4,273	3,749	14.0%	3,645	17.2%	4,010	6.6%	16,318	15,736	3.7%
Others	456	371	22.8%	660	-31.0%	365	24.8%	1,751	1,700	3.0%
Less: Intersegmental	511	475	7.5%	1,090	-53.2%	495	3.2%	1,961	2,295	-14.6%
Total	**13,832**	**11,989**	**15.4%**	**12,793**	**8.1%**	**12,728**	**8.7%**	**51,494**	**48,335**	**6.5%**
EBIT (INR mn)										
Abrasives	316	335	-5.8%	532	-40.7%	205	54.3%	966	1,514	-36.2%
Ceramics	625	738	-15.2%	759	-17.6%	563	11.1%	2,562	2,865	-10.6%
Electrominerals	191	90	111.5%	255	-25.0%	347	-44.8%	909	1,774	-48.8%
Others	(11)	(42)	-75.0%	(142)	-92.5%	4	-358.5%	(18)	(135)	-86.5%
EBIT Margin (%)										
Abrasives	5.2%	6.2%	(105)	9.1%	(394)	3.6%	158	4.3%	7.0%	(276)
Ceramics	17.8%	24.9%	(709)	20.3%	(250)	17.8%	(3)	20.2%	24.7%	(449)
Electrominerals	4.5%	2.4%	206	7.0%	(252)	8.6%	(417)	5.6%	11.3%	(571)
Others	-2.3%	-11.4%	910	-21.5%	1,919	1.1%	(345)	-1.0%	-8.0%	692

*Source: Company, PL *Includes Awuko and Foskor Zirconia*

Exhibit 3 : SoTP valuation – Ceramics segment accounts for ~60% of value

Particular	Mar'28 EPS	Multiple (x)	Net Value/share
Abrasives	9.4	33	312
Inudstrial Ceramics	14.9	40	594
Electrominerals	5.6	15	84
Others	(3.1)	1	(3)
SoTP			**986**

Source: Company, PL

Conference Call Highlights:

Guidance: Management expects consolidated revenue growth of ~4-4.5% YoY in FY27. However, excluding the impact of closure/wind-down of Foskor Zirconia and Awuko (combined FY26 revenue contribution of ~Rs343cr), underlying comparable growth is expected at ~11-12% YoY. Consolidated Abrasives growth is guided at 5.5-6% YoY (11-12% adjusted growth excluding Awuko), Ceramics at 15-15.5% YoY and Electrominerals are expected to decline by 6.5-7% YoY due to Foskor Zirconia closure, while adjusted underlying Electrominerals growth is expected at 8-9% YoY. Consolidated Abrasives margin is expected at 9.5-10% versus adjusted FY26 margin of 7.9%, Ceramics margin at 20.5-21% and Electrominerals margin at 9-9.5% versus adjusted FY26 margin of 9.1%. Management has guided for capex of ~Rs4.0bn in FY27.

Consolidated Abrasives: FY26 consolidated Abrasives revenue grew by 5.1% YoY to Rs2,271cr driven by strong standalone performance and support from Rhodius, while profitability was impacted by higher losses at Awuko and Rhodius. Consolidated Abrasives PBIT margin declined sharply to 4.3% versus 7.0% in FY25 primarily due to overseas subsidiary losses. Management expects consolidated Abrasives revenue to grow by 5.5-6% YoY in FY27 while margins are expected to improve significantly to 9.5-10% aided by normalization at Rhodius and closure of Awuko operations.

Standalone Abrasives: Standalone Abrasives revenue grew by 6.2% YoY to Rs1,270cr in FY26. H1FY26 remained weak due to dealer inventory correction, monsoon-related slowdown and temporary softness in northern markets, while H2FY26 witnessed strong recovery led by dealer additions, market expansion, product launches and festive demand recovery. Standalone Abrasives PBIT margin declined to 15.3% from 16.1% due to weak operating leverage and adverse product mix in H1FY26. Management expects standalone Abrasives growth to remain healthy in FY27 supported by retail, industrial and OEM demand.

RHODIUS: Rhodius revenue declined by 8.8% YoY to Euro61mn in FY26 versus Euro67mn in FY25 primarily due to disruption arising from transition to a new third-party logistics partner, which resulted in temporary loss of sales. Rhodius reported PAT loss of Euro0.26mn in FY26 versus loss of Euro0.2mn in FY25. Management indicated operations have normalized and expects Rhodius to deliver ~5% revenue growth in FY27 with significantly lower losses.

AWUKO: Awuko revenue remained largely flat at Euro10.5mn in FY26 versus Euro10.1mn in FY25. Loss before tax widened to Euro7.7mn versus Euro6.6mn in FY25 due to continued weak business conditions and operational challenges. Considering sustained losses and weak turnaround visibility, management has initiated voluntary winding-up of Awuko Germany with exceptional impact of ~Rs119cr recorded in FY26.

Consolidated Ceramics: FY26 consolidated Ceramics revenue grew by 9.3% YoY to Rs1,268cr driven primarily by strong standalone business performance. Q4FY26 Ceramics revenue grew by 18.6% YoY. Management expects consolidated Ceramics growth of 15-15.5% YoY in FY27 led by Industrial Ceramics, wear ceramics, engineered ceramics and semiconductor-related applications. Consolidated Ceramics margin is expected at 20.5-21% in FY27.

Standalone Ceramics: Standalone Ceramics revenue grew by 6.5% YoY to Rs1,000cr in FY26. Industrial Ceramics grew by 7.8% YoY driven by strong performance in engineered ceramics and metallized ceramics. Engineered Ceramics witnessed robust growth of ~30% led by semiconductor and AI/data-center linked demand. Metallized cylinder business grew by 9%, impacted by temporary production-related challenges in H1FY26 which normalized by Q4FY26. Refractories business benefited from recovery in deferred projects, particularly in glass segment, while anti-corrosive products and structural composites remained healthy. Standalone Ceramics PBIT declined 8% YoY due to lower subsidiary profitability and operational challenges during H1FY26.

Electrominerals: FY26 consolidated Electrominerals revenue grew by 3.7% YoY to Rs1,632cr. Growth was impacted by lower sales from VAW Russia amid sanctions, partially offset by strong standalone performance. Consolidated Electrominerals PBIT declined materially due to lower profitability at VAW and higher losses at

Foskor Zirconia. Management expects reported Electrominerals revenue to decline by 6.5-7% YoY in FY27 due to Foskor Zirconia closure; however, adjusted underlying business is expected to grow by 8-9% YoY. Electrominerals margins are guided at 9-9.5% in FY27.

Standalone Electrominerals: Standalone Electrominerals revenue grew strongly by 11.1% YoY to Rs906cr in FY26 led by robust export growth, treated grains and improved realization. Export contribution increased sharply to 33% of sales in FY26 versus 11% in FY25 aided by anti-dumping duties on Chinese grains in Europe and strong OEM relationships. Standalone Electrominerals PBIT grew 31.1% YoY to Rs82cr.

VAW: VAW Russia continued to witness sharp impact from sanctions with ruble revenue declining 35.3% YoY in FY26. Abrasives-related sales declined by 14% while Ceramics-related sales fell by 31%. Profitability weakened materially due to lower volumes and restricted export opportunities, although management highlighted that operations remain profitable at current levels.

Foskor Zirconia (FZL): Foskor Zirconia revenue grew by 12.2% YoY in rand terms during FY26. However, losses widened materially due to zircon sand price volatility, weak zirconia prices, higher electricity/input costs and adverse currency movements. Management concluded that operations are commercially unviable and has initiated closure/wind-down process with asset write-down impact of ~Rs16cr recorded in FY26.

Capex & Expansion Initiatives: FY26 consolidated capex stood at Rs309cr while FY27 capex guidance is ~Rs400cr. Key upcoming capex projects include expansion in advanced ceramics for power electronics and semiconductors, aluminum nitride capacities, thermal spray powders, zirconia facilities, integrated furnace upgrades and clean room infrastructure. The company is also commissioning a thin-wheel facility using SLS technology acquired from Rhodius/Gronco with peak revenue potential of ~Rs120cr. Furnace upgrades and treated grain expansions in Electrominerals are expected to add meaningful capacity and export opportunities over the medium term.

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**48,942**	**52,063**	**54,321**	**59,829**
YoY gr. (%)	*4.1*	*6.4*	*4.3*	*10.1*
Cost of Goods Sold	17,950	20,371	19,664	20,940
Gross Profit	30,992	31,692	34,657	38,889
Margin (%)	*63.3*	*60.9*	*64.0*	*65.0*
Employee Cost	8,623	9,488	10,158	11,188
Other Expenses	15,252	16,371	16,948	18,547
EBITDA	**7,118**	**5,833**	**7,551**	**9,154**
YoY gr. (%)	*(3.7)*	*(18.1)*	*29.5*	*21.2*
Margin (%)	*14.5*	*11.2*	*14.0*	*16.0*
Depreciation and Amortization	2,120	2,468	2,678	3,052
EBIT	**4,998**	**3,365**	**4,873**	**6,102**
Margin (%)	*10.2*	*6.5*	*9.0*	*10.2*
Net Interest	140	188	171	156
Other Income	410	717	760	806
Profit Before Tax	**4,227**	**2,505**	**5,462**	**6,752**
Margin (%)	*8.6*	*4.8*	*10.1*	*11.3*
Total Tax	1,692	1,139	1,557	1,924
Effective Tax Rate (%)	*40.0*	*45.5*	*29.0*	*29.0*
Profit After Tax	**2,535**	**1,366**	**3,905**	**4,828**
Minority Interest	60	(269)	137	169
Share Profit from Associate	452	312	351	434
Adjusted PAT	**3,552**	**2,705**	**4,120**	**5,093**
YoY gr. (%)	*(23.0)*	*(23.9)*	*52.3*	*23.6*
Margin (%)	*7.3*	*5.2*	*7.6*	*8.5*
Extra Ord. Income / (Exp)	(624)	(757)	-	-
Reported PAT	**2,928**	**1,947**	**4,120**	**5,093**
YoY gr. (%)	*(36.5)*	*(33.5)*	*111.6*	*23.6*
Margin (%)	*6.0*	*3.7*	*7.6*	*8.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,928	1,947	4,120	5,093
Equity Shares O/s (mn)	**190**	**190**	**191**	**191**
EPS (INR)	**18.7**	**14.2**	**21.6**	**26.7**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**22,853**	**26,981**	**29,781**	**32,581**
Tangibles	22,853	26,981	29,781	32,581
Intangibles	-	-	-	-
Acc: Dep / Amortization	**10,620**	**13,088**	**15,766**	**18,818**
Tangibles	10,620	13,088	15,766	18,818
Intangibles	-	-	-	-
Net Fixed Assets	**12,232**	**13,892**	**14,014**	**13,762**
Tangibles	12,232	13,892	14,014	13,762
Intangibles	-	-	-	-
Capital Work In Progress	1,184	1,410	914	914
Goodwill	4,928	5,169	5,284	5,366
Non-Current Investments	2,232	2,289	2,889	3,173
Net Deferred Tax Assets	(1)	240	259	305
Other Non-Current Assets	1,221	1,305	1,566	1,879
Current Assets				
Investments	-	-	-	-
Inventories	10,550	11,172	11,601	12,654
Trade Receivables	7,662	8,908	8,223	8,923
Cash & Bank Balance	3,806	7,004	8,649	10,803
Other Current Assets	837	1,142	1,195	1,316
Total Assets	**46,433**	**52,906**	**56,064**	**60,695**
Equity				
Equity Share Capital	190	191	191	191
Other Equity	35,096	38,808	41,691	45,659
Total Networth	**35,286**	**38,998**	**41,881**	**45,849**
Non-Current Liabilities				
Long Term Borrowings	249	258	258	258
Provisions	323	355	380	419
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	954	2,792	2,592	2,342
Trade Payables	3,498	4,220	4,465	4,917
Other Current Liabilities	3,146	4,102	4,171	4,424
Total Equity & Liabilities	**46,433**	**52,906**	**56,063**	**60,695**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	4,679	2,817	5,462	6,752
Add. Depreciation	2,120	2,468	2,678	3,052
Add. Interest	140	188	171	156
Less Financial Other Income	410	717	760	806
Add. Other	299	721	-	-
Op. Profit before WC Changes	7,237	6,194	8,311	9,960
Net Changes-WC	(2,217)	(807)	(1,054)	(1,984)
Direct Tax	(1,978)	(1,713)	(1,557)	(1,924)
Net Cash from Op. Activities	**3,042**	**3,674**	**5,701**	**6,051**
Capital Expenditures	(2,731)	(2,974)	(2,800)	(2,800)
Interest / Dividend Income	458	778	-	-
Others	(1,553)	26	351	434
Net Cash from Invt. Activities	**(3,826)**	**(2,170)**	**(2,449)**	**(2,366)**
Issue of Share Cap. / Premium	55	23	-	-
Debt Changes	(22)	1,551	(200)	(250)
Dividend Paid	(912)	(1,012)	(1,237)	(1,125)
Interest Paid	(93)	(139)	(171)	(156)
Others	(116)	769	-	-
Net Cash from Fin. Activities	**(1,089)**	**1,192**	**(1,608)**	**(1,531)**
Net Change in Cash	**(1,873)**	**2,695**	**1,644**	**2,155**
Free Cash Flow	302	671	2,901	3,251

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	**12,190**	**12,981**	**12,909**	**13,984**
YoY gr. (%)	*1.8*	*6.0*	*2.8*	*14.9*
Raw Material Expenses	4,501	5,040	5,097	5,733
Gross Profit	7,689	7,941	7,812	8,251
Margin (%)	*63.1*	*61.2*	*60.5*	*59.0*
EBITDA	**1,213**	**1,564**	**1,614**	**1,442**
YoY gr. (%)	*(37.4)*	*(19.8)*	*(8.8)*	*(1.4)*
Margin (%)	*9.9*	*12.0*	*12.5*	*10.3*
Depreciation / Depletion	589	622	611	645
EBIT	**624**	**942**	**1,003**	**796**
Margin (%)	*5.1*	*7.3*	*7.8*	*5.7*
Net Interest	35	44	46	63
Other Income	187	169	133	227
Profit before Tax	**776**	**1,066**	**1,047**	**961**
Margin (%)	*6.4*	*8.2*	*8.1*	*6.9*
Total Tax	254	383	400	102
Effective Tax Rate (%)	*32.8*	*35.9*	*38.2*	*10.6*
Profit After Tax	-	-	-	-
Minority Interest	(15)	(3)	(28)	(224)
Share Profit from Associate	82	59	85	86
Adjusted PAT	**619**	**745**	**786**	**1,170**
YoY gr. (%)	*(45.2)*	*(35.7)*	*(43.4)*	*301.4*
Margin (%)	*5.1*	*5.7*	*6.1*	*8.4*
Extra Ord. Income / (Exp)	-	-	(27)	-
Reported PAT	**619**	**745**	**759**	**1,170**
YoY gr. (%)	*(45.2)*	*(35.7)*	*(45.3)*	*301.4*
Margin (%)	*5.1*	*5.7*	*5.9*	*8.4*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**619**	**745**	**759**	**1,170**
Avg. Shares O/s (mn)	190	190	190	190
EPS (INR)	**3.3**	**3.9**	**4.1**	**6.2**

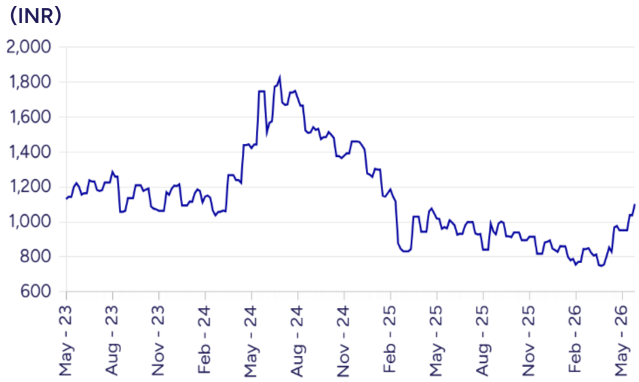
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	18.7	14.2	21.6	26.7
CEPS	29.8	27.2	35.7	42.8
BVPS	185.4	204.9	219.8	240.7
FCF	1.6	3.5	15.2	17.1
DPS	4.0	4.0	5.4	11.2
Return Ratio (%)				
RoCE	14.5	8.6	11.2	13.1
ROIC	9.8	5.7	10.0	12.2
RoE	10.7	7.3	10.2	11.6
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	110	111	103	102
Valuation (x)				
PER	59.0	77.5	50.9	41.2
P/B	5.9	5.3	5.0	4.5
P/CEPS	36.9	40.5	30.8	25.7
EV/EBITDA	29.3	35.4	27.2	22.1
EV/Sales	4.2	3.9	3.7	3.3
Dividend Yield (%)	0.3	0.3	0.4	1.0
FCFF Yield (%)	0.1	0.3	1.3	1.5
PEG Ratio	(2.6)	(3.3)	0.9	1.7

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Apr-26	HOLD	825	855
2	30-Jan-26	Hold	825	788
3	07-Jan-26	Hold	894	824
4	31-Oct-25	Hold	894	901
5	07-Oct-25	Hold	835	919
6	08-Aug-25	Hold	835	841
7	09-Jul-25	Hold	1028	994
8	14-May-25	Hold	1028	985
9	09-Apr-25	Accumulate	1052	950
10	17-Feb-25	Accumulate	1114	1005

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	6523	7013
2	Apar Industries	Accumulate	9629	10767
3	BEML	Accumulate	1922	1603
4	Bharat Electronics	REDUCE	411	440
5	BHEL	REDUCE	321	377
6	Carborundum Universal	HOLD	825	855
7	Cummins India	Hold	4182	4907
8	Elgi Equipments	Accumulate	603	500
9	Engineers India	Buy	261	209
10	GE Vernova T&D India	Buy	4050	3911
11	Grindwell Norton	Accumulate	1887	1680
12	Harsha Engineers International	Hold	461	439
13	Hindustan Aeronautics	BUY	5338	4033
14	Hitachi Energy India	Hold	26108	27315
15	Ingersoll-Rand (India)	Buy	4589	3798
16	Kalpataru Projects International	Buy	1466	1143
17	KEC International	Accumulate	748	578
18	Kirloskar Pneumatic Company	BUY	1715	1448
19	Larsen & Toubro	BUY	4632	4055
20	Praj Industries	Accumulate	340	337
21	Siemens	ACCUMULATE	3409	3223
22	Siemens Energy India	Accumulate	3145	2768
23	Thermax	REDUCE	3969	4678
24	Triveni Turbine	Accumulate	585	455
25	Voltamp Transformers	Accumulate	10503	10002

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Amit Anwani MBA (Finance), Mr. Prathmesh Salunkhe MBA Finance, Mr. Hitesh Agarwal MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

US Clients

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipients particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have 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

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report.

PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report.

PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Amit Anwani MBA (Finance), Mr. Prathmesh Salunkhe MBA Finance, Mr. Hitesh Agarwal MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts 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.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates 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 are 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.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

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

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.