PL Capital
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Carborundum Universal (CU IN)

Q2FY27 Result Update

November 03, 2026

☑ Estimate Change | ☑ Target | ☑ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	Accumulate		Hold	
Target Price	1,178		1,072	
Sales (INR mn)	61,949	69,270	61,273	68,483
% Chng.	*1.1*	*1.1*		
EBITDA (INR mn)	9,354	10,806	9,375	10,820
% Chng.	*(0.2)*	*(0.1)*		
EPS (INR)	27.4	31.9	27.5	31.9
% Chng.	*(0.4)*	-		

Key Data	CRBR.BO | CU IN
BSE Code	513375
NSE Code	CARBORUNIV
52-W High / Low	INR 1,369 / INR 734
Face Value	1
Sensex / Nifty	76,918 / 23,811
Market Cap	INR 212 bn / $ 2,240 mn
Shares Outstanding	190.51 mn
3M Avg. Daily Value	INR 457.46 mn

Shareholding Pattern (%)

Promoters	38.85
FIIs	11.09
Mutual Funds	27.94
Domestic Institutions	0.82
Public & Others	21.30
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(10.2)	1.7	17.0	22.5
Relative	(16.0)	3.9	17.0	33.7

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	52,063	55,890	61,949	69,270
EBITDA (INR mn)	5,833	7,752	9,354	10,806
Margin (%)	*11.2*	*13.9*	*15.1*	*15.6*
PAT (INR mn)	2,705	4,256	5,226	6,077
EV (INR mn)	209,095	209,223	206,835	204,782
Total Debt (INR mn)	3,050	2,850	2,600	2,350
C&C Eq. (INR mn)	7,004	7,031	9,343	11,348
EPS (INR)	14.2	22.3	27.4	31.9
Gr. (%)	*(23.9)*	*57.2*	*22.8*	*16.3*
DPS (INR)	4.0	5.6	11.4	12.5
Yield (%)	*0.4*	*0.5*	*1.0*	*1.1*
RoE (%)	*7.3*	*10.5*	*11.9*	*12.7*
RoCE (%)	*8.6*	*11.6*	*13.4*	*14.6*
EV/Sales (x)	4.0	3.7	3.3	3.0
EV/EBITDA (x)	35.9	27.0	22.1	19.0
PE (x)	78.4	49.9	40.6	34.9
P/BV (x)	5.4	5.0	4.6	4.2

Healthy Q2, Ceramics leads the charge

Quick Pointers

- Management maintained FY27 consolidated revenue growth guidance at ~15% YoY excluding Foskor and Awuko.
- Ceramics revenue growth guidance raised to 25-28% (vs. 23-25% earlier), with margin guidance at 22.5-23.5% (vs 20.5-21% earlier).

Carborundum Universal (CUMI) reported a Q2FY27 performance with consolidated revenue growth of ~13% YoY, supported by broad-based growth across Ceramics (+36.1%) and Electrominerals (+11%) with EBITDA margin expanded by 49bps YoY. Ceramics remains the key growth driver, supported by strong traction in industrial engineered ceramics, metallized cylinders and Bloom Energy-related products, alongside improving product mix. However, Abrasives profitability remains under pressure from elevated phenolic resin and fuel costs, with limited pricing pass-through; management expects margins to have bottomed out, with gradual recovery towards the normalised 15-16% range as cost pressures ease and price increases are implemented. Electro Minerals margins are expected to remain relatively stable, supported by favourable product mix and geographic diversification. On the overseas front, Rhodius is expected to achieve breakeven by Q1FY28, followed by gradual profitability improvement, while the closure of Awuko and Foskor Zirconia should eliminate persistent loss-making operations and improve the consolidated earnings profile. Additionally, the semiconductor equipment components business offers a medium-term growth opportunity, with revenue potential of INR3-3.5bn by FY30-31, although meaningful contribution remains back-ended. Management maintained consolidated capex guidance of INR4bn, while working capital outflows are expected to reverse in H2FY27. The stock is trading at a P/E of 40.6x/34.9x on FY28E/29E earnings. We roll forward to Sep'28E and upgrade our rating from 'Hold' to 'Accumulate', driven by an improved growth outlook for the Ceramics division following management's upward revision in guidance, with a SoTP-based revised TP of INR1,178 (INR1,072 earlier) valuing Abrasives/Ceramics/Electrominerals at 35x/41x/15x Sep'28E (35x/41x/15x Mar'28E).

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.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
Net Sales (INR mn)	13,952	14,691	*5.3*	12,981	*13.2*
EBITDA (INR mn)	1,716	1,841	*7.3*	1,564	*17.7*
Margin (%)	*12.3*	*12.5*	*20 bps*	*12.0*	*50 bps*
PAT (INR mn)	860	023	*8/4*	745	*23.9*

Source: Company, PL

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Revenue growth driven by strong growth in Ceramics: Consolidated revenue was up 13% YoY to INR14.5bn (Ple: INR14bn) led by strong growth in Ceramics (+36% YoY). Gross margin contracted by 70bps YoY to 60.5%. EBITDA increased by 17.7% YoY to INR1.8bn (PLe: INR1.7bn) while EBITDA margin expanded by 49bps YoY to 12.5% (PLe: 12.3%) primarily aided by lower employee cost (-212bps YoY as % of sales) and Power & fuel (-53bps YoY % of sales). PBT (ex-extra-ordinaries) increased by 23.4% YoY to INR1.3bn (Ple: INR1.2bn). Adj. PAT increased by 23.9% YoY to INR923mn (PLe: INR860mn) despite higher interest cost and aided by lower effective tax rate (-93bps YoY to 34.9%)

Ceramics revenue grew with margin expanded: Abrasives sales increased by 4% YoY to INR6.1bn mainly with Abrasives EBIT margin expanded by 91bps YoY to 6.6%. Ceramics revenue growth increased by 36% YoY to INR4.1bn driven by standalone business while its EBIT margin expanded by 397bps YoY to 24.7%. Electrominerals sales increased by 11.1% to INR4.4bn while its EBIT margin contracted by 236bps YoY to 5.8%

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	*YoY gr.*	Q2FY27	*YoY gr.*	Q3FY27E	*YoY gr.*	Q4FY27E	*YoY gr.*
Sales	14,266	*17.0%*	14,691	*13.2%*	13,221	*2.4%*	13,713	*-1.9%*
EBITDA	1,351	*11.4%*	1,841	*17.7%*	2,089	*29.4%*	2,470	*71.4%*
Margin (%)	*9.5*	*(47.7)*	*12.5*	*48.5*	*15.8*	*329.5*	*18.0*	*770.6*
Adj. PAT	602	*-3%*	923	*24%*	1,150	*46%*	1,580	*54%*

Source: Company, PL

Note: Base quarter/year actuals include revenue from AWUKO and Foskor Zirconia, whereas our quarterly/yearly estimates exclude revenue from these entities.

Exhibit 2: Revenue increased by 13.1% YoY to INR14.5bn with EBITDA margin expanded by 49bps YoY

Y/e March (INR mn)	Q2FY27	Q2FY26	*YoY gr.*	Q2FY27E	*% Var.*	Q1FY27	*QoQ gr.*	H1FY27	H1FY26	*YoY gr.*
Sales	**14,547**	**12,867**	***13.1%***	**13,762**	***5.7%***	**14,106**	***3.1%***	**28,652**	**24,934**	***14.9%***
Other Operating income	144	114	*26.7%*	190	*-24.3%*	161	*-10.4%*	305	237	*28.3%*
Total Revenue	14,691	12,981	*13.2%*	13,952	*5.3%*	14,266	*3.0%*	28,957	25,171	*15.0%*
Gross Profit	**8,885**	**7,941**	***11.9%***	**8,790**	***1.1%***	**8,506**	***4.5%***	**17,390**	**15,630**	***11.3%***
Margin (%)	*60.5*	*61.2*	*(70)*	*63.0*	*(252)*	*59.6*	*86*	*60.1*	*62.1*	*(204)*
Employee Cost	2,420	2,414	*0.2%*	2,707	*-10.6%*	2,680	*-9.7%*	5,100	4,793	*6.4%*
as % of sales	*16.6*	*18.8*	*(212)*	*19.7*	*(303)*	*19.0*	*(237)*	*17.8*	*19.2*	*(142)*
Power & Fuel	1,357	1,268	*7.0%*	1,409	*-3.7%*	1,433	*-5.3%*	2,789	2,491	*12.0%*
as % of sales	*9.3*	*9.9*	*(53)*	*10.2*	*(91)*	*10.2*	*(83)*	*9.7*	*10.0*	*(26)*
Other expenditure	3,267	2,695	*21.2%*	2,958	*10.5%*	3,042	*7.4%*	6,309	5,569	*13.3%*
as % of sales	*22.5*	*20.9*	*151*	*21.5*	*97*	*21.6*	*90*	*22.0*	*22.3*	*(32)*
EBITDA	**1,841**	**1,564**	***17.7%***	**1,716**	***7.3%***	**1,351**	***36.3%***	**3,192**	**2,777**	***15.0%***
Margin (%)	*12.5*	*12.0*	*49*	*12.3*	*23*	*9.5*	*306*	*11.0*	*11.0*	*(1)*
Depreciation	643	622	*3.4%*	670	*-4.0%*	655	*-1.8%*	1,298	1,211	*7.2%*
EBIT	**1,198**	**942**	***27.2%***	**1,046**	***14.5%***	**696**	***72.2%***	**1,894**	**1,565**	***21.0%***
Margin (%)	*8.2*	*7.3*	*90*	*7.5*	*66*	*4.9*	*328*	*6.5*	*6.2*	*32*
Other Income	184	169	*8.8%*	170	*8.1%*	195	*-5.8%*	379	356	*6.4%*
Interest	66	44	*48.3%*	40	*64.3%*	58	*13.3%*	124	79	*56.2%*
PBT (ex. Extra-ordinaries)	**1,316**	**1,066**	***23.4%***	**1,176**	***11.9%***	**833**	***58.0%***	**2,149**	**1,843**	***16.7%***
Margin (%)	*9.0*	*8.2*	*74*	*8.4*	*53*	*5.8*	*312*	*7.4*	*7.3*	*10*
Extraordinary Items	(803)	-		-	*0.0%*	252	*0.0%*	(551)	-	
PBT	**514**	**1,066**	***-51.8%***	**1,176**	***-56.3%***	**1,085**	***-52.7%***	**1,599**	**1,843**	***-13.2%***
Total Tax	460	383	*20.2%*	376	*22.2%*	389	*18.3%*	849	637	*33.2%*
Effective Tax Rate (%)	*34.9*	*35.9*	*(93)*	*32.0*	*293*	*35.8*	*(89)*	*53.1*	*34.6*	*1,851*
PAT before JVs/MI	**54**	**684**	***-92.1%***	**800**	***-93.3%***	**696**	***-92.3%***	**750**	**1,206**	***-37.8%***

Y/e March (INR mn)	Q2FY27	Q2FY26	YoY gr.	Q2FY27E	% Var.	Q1FY27	QoQ gr.	H1FY27	H1FY26	YoY gr.
Share of Profit/loss from JVs/MI	71	61	*15.5%*	60	*17.8%*	68	*4.3%*	139	159	*-12.6%*
Reported PAT	**125**	**745**	***-83.3%***	**860**	***-85.5%***	**764**	***-83.7%***	**889**	**1,364**	***-34.9%***
Adj. PAT	**923**	**745**	***23.9%***	**860**	***7.3%***	**602**	***53.2%***	**1,525**	**1,364**	***11.8%***
Margin (%)	*6.3*	*5.7*	*54*	*6.2*	*12*	*4.2*	*206*	*5.3*	*5.4*	*(15)*
Adj. EPS	**4.9**	**3.9**	***23.9%***	**4.5**	***7.3%***	**3.2**	***53.2%***	**8.0**	**7.2**	***11.8%***

Source: Company, PL

Note: Base quarter/year actuals include revenue from AWUKO and Foskor Zirconia, whereas our quarterly/yearly estimates exclude revenue from these entities.

Exhibit 3: Ceramics sales increased by ~36% YoY with EBIT margin expanded by 397bps YoY

Segment Breakup	Q2FY27	Q2FY26	YoY gr.	Q2FY27E	% Var.	Q1FY27	QoQ gr.	H1FY27	H1FY26	YoY gr.
Revenue (INR mn)										
Abrasives	6,072	5,837	*4.0%*	6,187	*-1.9%*	6,098	*-0.4%*	12,170	10,913	*11.5%*
Ceramics	4,103	3,015	*36.1%*	3,587	*14.4%*	3,490	*17.6%*	7,592	6,011	*26.3%*
Electrominerals	4,430	3,986	*11.1%*	3,946	*12.3%*	4,728	*-6.3%*	9,158	8,035	*14.0%*
Others	508	499	*1.7%*	534	*-4.9%*	355	*42.9%*	863	930	*-7.2%*
Less: Intersegmental	567	470	*20.5%*	494	*14.8%*	565	*0.2%*	1,132	956	*18.4%*
Total	14,547	12,867	*13.1%*	13,762	*5.7%*	14,106	*3.1%*	28,652	24,934	*14.9%*
EBIT (INR mn)										
Abrasives	400	331	*20.8%*	786	*-49.1%*	396	*1.0%*	796	445	*78.8%*
Ceramics	1,013	625	*62.1%*	789	*28.3%*	745	*36.0%*	1,758	1,374	*28.0%*
Electrominerals	259	327	*-20.9%*	434	*-40.4%*	220	*17.8%*	479	371	*28.9%*
Others	(41)	8	-	11	*-482.9%*	(28)	*48.2%*	(69)	(12)	*480.5%*
EBIT Margin (%)										
Abrasives	6.6%	5.7%	*91*	12.7%	*(611)*	6.5%	*9*	6.5%	4.1%	*246*
Ceramics	24.7%	20.7%	*397*	22.0%	*269*	21.3%	*335*	23.2%	22.9%	*30*
Electrominerals	5.8%	8.2%	*(236)*	11.0%	*(516)*	4.6%	*120*	5.2%	4.6%	*60*
Others	-8.1%	1.7%	*(974)*	2.0%	*(1,005)*	-7.8%	*(29)*	-7.9%	-1.3%	*(667)*

Source: Company, PL

Note: Base quarter/year actuals include revenue from AWUKO and Foskor Zirconia, whereas our quarterly/yearly estimates exclude revenue from these entities.

Exhibit 4: SoTP valuation – Ceramics segment accounts for ~63% of value

Particular	Sep'28 EPS	Multiple (x)	Net Value/share
Abrasives	10.1	35	352
Inudstrial Ceramics	18.0	41	739
Electrominerals	6.1	15	91
Others	(4.5)	1	(4)
SoTP			**1,178**

Source: Company, PL

Conference Call Highlights:

Guidance: Management maintained FY27 consolidated revenue growth guidance at ~15% YoY, excluding the impact of Foskor Zirconia and Awuko closures, implying comparable growth of 11–12%. Abrasives growth guidance was maintained at 5.5–6% YoY (11–12% excluding Awuko revenue of ~Rs1.08bn), while Ceramics growth guidance was further upgraded to 25–28% YoY (earlier 23–25%) on strong momentum across engineered ceramics, Bloom Energy-related products and metallized cylinders. Electrominerals growth guidance was maintained at 9–10% YoY, excluding Foskor impact. Management revised FY27 Abrasives margin guidance downward to 8–8.5% (earlier 9.5–10%) due to higher input costs and limited pricing pass-through, while Ceramics margin guidance was upgraded to 22.5–23.5% (earlier 20.5–21%). Electrominerals margin guidance was maintained at 9–9.5%. Consolidated capex guidance was retained at ~Rs4bn.

Abrasives: Standalone Abrasives revenue driven by broad-based volume growth across precision, industrial and retail segments, supported by improving industrial activity, infrastructure-led demand, new geographical coverage and product launches. Consolidated revenue increased 4% YoY to INR6.07bn, while consolidated PBIT grew 20.8% YoY to INR400mn, supported by lower losses at Awuko. Standalone PBIT declined 19.9% YoY to INR370mn, with margins impacted by higher fuel prices and oil-linked inputs, particularly phenolic resins, with limited cost pass-through. Management indicated that standalone margins have bottomed out and should gradually recover towards the historical 15–16% trajectory, supported by pricing actions and operational improvements. The thin-wheel facility at Hosur is progressing, with qualification underway for 6–7 major international customers. Withdrawal of Chinese export incentives is expected to be favourable for Indian manufacturers, alongside improving industrial activity.

Rhodius: Revenue declined 16.8% YoY to Euro14.5mn in Q2FY27, primarily due to a favourable base in Q2FY26, when sales were supported by recovery from the prior-year logistics transition. Sequential softness was also attributable to normal seasonality. PAT loss narrowed to Euro0.3mn from Euro0.6mn in Q2FY26 and Euro0.7mn in Q1FY27, supported by operational improvements and lower costs following the warehouse transition. Management now expects FY27 revenue to remain broadly flat YoY, with losses lower than FY26. The business is targeting breakeven by Q1FY28, followed by a gradual improvement in profitability, supported by a restructuring and operational improvement programme.

AWUKO: Awuko continued to operate at limited levels to service outstanding orders, with Q2FY27 revenue declining to Euro1.1mn from Euro2.9mn in Q2FY26. The company has entered into agreements for the sale of its property, plant, equipment and inventory for an aggregate consideration of Euro5.34mn, with the proceeds already received. The closure process is progressing towards final liquidation under German law, with employee-related restructuring completed. CUMI recognised an additional exceptional impact of INR800mn in Q2FY27 towards asset write-downs and restructuring costs. Management does not expect further material write-offs.

Ceramics: Consolidated Ceramics revenue increased 36.1% YoY to INR4.1bn, supported by broad-based growth across industrial ceramics and refractories, with all three regions – India, Americas and Australia – contributing. Standalone Ceramics revenue grew 37.2% YoY to INR3.13bn, driven by strong performance across engineered ceramics, metallized cylinders, OFC-related ceramics and refractories. Consolidated Ceramics PBIT increased 62.1% YoY to INR1.01bn, reflecting operating leverage and improved business mix. Management upgraded FY27 revenue growth guidance to 25-28% YoY and margin guidance to 22.5-23.5%, supported by strong demand across engineered ceramics, Bloom Energy-related products and metallized cylinders.

Engineered Ceramics: Engineered ceramics continues to be the fastest-growing sub-segment within Ceramics, driven by export demand and increasing customer diversification. Management highlighted opportunities across power electronics, semiconductor equipment components and other high-value applications. Semiconductor equipment components are expected to progressively scale up, with revenue potential of ~INR3-3.5bn around FY30-FY31. The business is expected to achieve a meaningful ramp-up from FY28, with investments likely to

increase progressively as the programme scales. Management expects margins in these new-age businesses to be higher than the existing Ceramics baseline once operations reach a stable scale.

Metallized Ceramics / Power Electronics: CUMI is expanding its capabilities in advanced ceramics and value-added substrates, including AMB and DBC substrates for power electronics. Management highlighted its established metallization capabilities and technology validation as key competitive advantages against global suppliers. The company is progressing with anchor customers and qualification milestones, with further time required before commercial scale-up. Management expects the programme to take at least another year to complete, with updates on revenue potential and investments to be shared at an appropriate time.

Aerospace & Defence Ceramics: CUMI is progressing with its expansion into aerospace and defence ceramics, including electronic substrates and armour-related applications. Management indicated that the business is progressing as per milestones, with anchor customers and technology support secured. A stable-state margin profile is expected to be higher than the existing Ceramics baseline of 20–21%, although the company is yet to provide specific revenue guidance for these programmes.

Electrominerals: Standalone Electrominerals revenue increased 31.3% YoY to INR2.79bn, driven by strong demand from refractory and abrasive customers across domestic and export markets. Consolidated revenue grew 11.1% YoY to INR4.43bn, while consolidated PBIT declined 20.9% YoY to INR260mn, primarily due to lower profitability at Foskor Zirconia. Standalone PBIT increased 49.1% YoY to INR290mn, supported by favourable product mix, geography and cost efficiencies. Sequential margin moderation was largely attributable to product and industry mix. Management maintained FY27 underlying growth guidance at 9–10% YoY, excluding Foskor impact, with margins expected at 9–9.5%. Management expects imports from China to gradually moderate, given the relatively expensive dollar-denominated pricing for Indian importers

VAW Russia: VAW revenue remained broadly flat YoY at RUB1.55bn in Q2FY27, while PAT declined 55.5% YoY to RUB98.7mn. Sequentially, PAT improved from RUB52.1mn in Q1FY27, reflecting better profitability. Management indicated that the business continues to operate under existing geopolitical constraints, with no material change in operating conditions or volume outlook. The company remains focused on maintaining its domestic operations and profitability, with no significant near-term volume improvement expected.

Foskor Zirconia (FZL): Foskor Zirconia, a 51% subsidiary of CUMI, continues to operate at low utilisation levels, with Q2FY27 revenue of INR53mn and a loss of INR24mn. Management has determined the business to be commercially unviable due to sustained losses, rising input costs and market pressures. CUMI had recognised an asset write-down of INR160mn in FY26 and is evaluating strategic options for the business. Management expects the exit process to be completed during the current quarter, with no material incremental write-offs anticipated, as the business has been reported on a realisable basis.

Capex & Expansion Initiatives: Management maintained FY27 consolidated capex guidance at ~INR4bn, with projects progressing as scheduled. H1FY27 capex stood at INR1.3bn compared to INR1.6bn in H1FY26. Key investments are focused on advanced ceramics, semiconductor equipment components, power electronics substrates, metallized products and other high-value applications. Semiconductor equipment component investments are expected to scale progressively, with peak revenue potential of ~INR3-3.5bn around FY30-FY31. The thin-wheel facility at Hosur is progressing, with customer qualification underway. Management expects new-age ceramics businesses to deliver higher margins once they reach a stable operating scale.

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**52,063**	**55,890**	**61,949**	**69,270**
YoY gr. (%)	*6.4*	*7.4*	*10.8*	*11.8*
Cost of Goods Sold	20,371	20,389	21,682	24,037
Gross Profit	31,692	35,501	40,267	45,233
Margin (%)	*60.9*	*63.5*	*65.0*	*65.3*
Employee Cost	9,488	10,563	11,708	13,092
Other Expenses	16,371	17,186	19,204	21,335
EBITDA	**5,833**	**7,752**	**9,354**	**10,806**
YoY gr. (%)	*(18.1)*	*32.9*	*20.7*	*15.5*
Margin (%)	*11.2*	*13.9*	*15.1*	*15.6*
Depreciation and Amortization	2,468	2,700	3,083	3,435
EBIT	**3,365**	**5,052**	**6,271**	**7,371**
Margin (%)	*6.5*	*9.0*	*10.1*	*10.6*
Net Interest	188	177	156	141
Other Income	717	766	812	861
Profit Before Tax	**2,505**	**5,642**	**6,927**	**8,091**
Margin (%)	*4.8*	*10.1*	*11.2*	*11.7*
Total Tax	1,139	1,608	1,974	2,330
Effective Tax Rate (%)	*45.5*	*28.5*	*28.5*	*28.8*
Profit After Tax	**1,366**	**4,034**	**4,953**	**5,761**
Minority Interest	(269)	141	173	202
Share Profit from Associate	312	363	446	518
Adjusted PAT	**2,705**	**4,256**	**5,226**	**6,077**
YoY gr. (%)	*(23.9)*	*57.3*	*22.8*	*16.3*
Margin (%)	*5.2*	*7.6*	*8.4*	*8.8*
Extra Ord. Income / (Exp)	(757)	-	-	-
Reported PAT	**1,947**	**4,256**	**5,226**	**6,077**
YoY gr. (%)	*(33.5)*	*118.5*	*22.8*	*16.3*
Margin (%)	*3.7*	*7.6*	*8.4*	*8.8*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,947	4,256	5,226	6,077
Equity Shares O/s (mn)	**190**	**191**	**191**	**191**
EPS (INR)	**14.2**	**22.3**	**27.4**	**31.9**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**27,071**	**31,071**	**33,871**	**36,671**
Tangibles	27,071	31,071	33,871	36,671
Intangibles	-	-	-	-
Acc: Dep / Amortization	**13,179**	**15,879**	**18,962**	**22,398**
Tangibles	13,179	15,879	18,962	22,398
Intangibles	-	-	-	-
Net Fixed Assets	**13,892**	**15,192**	**14,909**	**14,274**
Tangibles	13,892	15,192	14,909	14,274
Intangibles	-	-	-	-
Capital Work In Progress	1,410	1,306	914	914
Goodwill	5,169	5,751	5,833	5,915
Non-Current Investments	2,289	2,904	3,193	3,519
Net Deferred Tax Assets	240	272	322	383
Other Non-Current Assets	1,305	1,566	1,879	2,255
Current Assets				
Investments	-	-	-	-
Inventories	11,172	11,936	13,102	14,650
Trade Receivables	8,908	8,461	9,407	10,330
Cash & Bank Balance	7,004	7,031	9,343	11,348
Other Current Assets	1,142	1,230	1,487	1,662
Total Assets	**52,905**	**56,401**	**61,203**	**66,138**
Equity				
Equity Share Capital	191	191	191	191
Other Equity	38,808	41,826	45,893	49,807
Total Networth	**38,998**	**42,017**	**46,083**	**49,998**
Non-Current Liabilities				
Long Term Borrowings	258	258	258	258
Provisions	355	391	434	485
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	2,792	2,592	2,342	2,092
Trade Payables	4,220	4,594	5,092	5,693
Other Current Liabilities	4,102	4,228	4,500	4,916
Total Equity & Liabilities	**52,906**	**56,401**	**61,203**	**66,138**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	2,817	5,642	6,927	8,091
Add. Depreciation	2,468	2,700	3,083	3,435
Add. Interest	188	177	156	141
Less Financial Other Income	717	766	812	861
Add. Other	721	-	-	-
Op. Profit before WC Changes	6,194	8,518	10,167	11,667
Net Changes-WC	(807)	(1,633)	(1,962)	(2,496)
Direct Tax	(1,713)	(1,608)	(1,974)	(2,330)
Net Cash from Op. Activities	**3,674**	**5,278**	**6,230**	**6,841**
Capital Expenditures	(2,974)	(4,000)	(2,800)	(2,800)
Interest / Dividend Income	778	-	-	-
Others	26	363	446	518
Net Cash from Invt. Activities	**(2,170)**	**(3,637)**	**(2,354)**	**(2,282)**
Issue of Share Cap. / Premium	23	-	-	-
Debt Changes	1,551	(200)	(250)	(250)
Dividend Paid	(1,012)	(1,237)	(1,159)	(2,163)
Interest Paid	(139)	(177)	(156)	(141)
Others	769	-	-	-
Net Cash from Fin. Activities	**1,192**	**(1,614)**	**(1,565)**	**(2,554)**
Net Change in Cash	**2,695**	**27**	**2,311**	**2,005**
Free Cash Flow	671	1,278	3,430	4,041

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**12,909**	**13,984**	**14,266**	**14,691**
YoY gr. (%)	*2.8*	*14.9*	*17.0*	*13.2*
Raw Material Expenses	5,097	5,733	5,761	5,806
Gross Profit	7,812	8,251	8,506	8,885
Margin (%)	*60.5*	*59.0*	*59.6*	*60.5*
EBITDA	**1,614**	**1,442**	**1,351**	**1,841**
YoY gr. (%)	*(8.8)*	*(1.4)*	*11.4*	*17.7*
Margin (%)	*12.5*	*10.3*	*9.5*	*12.5*
Depreciation / Depletion	611	645	655	643
EBIT	**1,003**	**796**	**696**	**1,198**
Margin (%)	*7.8*	*5.7*	*4.9*	*8.2*
Net Interest	46	63	58	66
Other Income	133	227	195	184
Profit before Tax	**1,047**	**(384)**	**1,085**	**514**
Margin (%)	*8.1*	*(2.7)*	*7.6*	*3.5*
Total Tax	400	102	389	460
Effective Tax Rate (%)	*38.2*	*10.6*	*35.8*	*89.5*
Profit After Tax	**647**	**(486)**	**696**	**54**
Minority Interest	(28)	(224)	39	(4)
Share Profit from Associate	85	86	107	67
Adjusted PAT	**786**	**1,027**	**602**	**923**
YoY gr. (%)	*(43.4)*	*252.4*	*(2.7)*	*23.9*
Margin (%)	*6.1*	*7.3*	*4.2*	*6.3*
Extra Ord. Income / (Exp)	(27)	(1,203)	162	(84)
Reported PAT	**759**	**(176)**	**764**	**125**
YoY gr. (%)	*(45.3)*	*(160.4)*	*23.4*	*(83.3)*
Margin (%)	*5.9*	*(1.3)*	*5.4*	*0.8*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**759**	**(176)**	**764**	**125**
Avg. Shares O/s (mn)	190	190	190	190
EPS (INR)	**4.1**	**5.4**	**3.2**	**4.9**

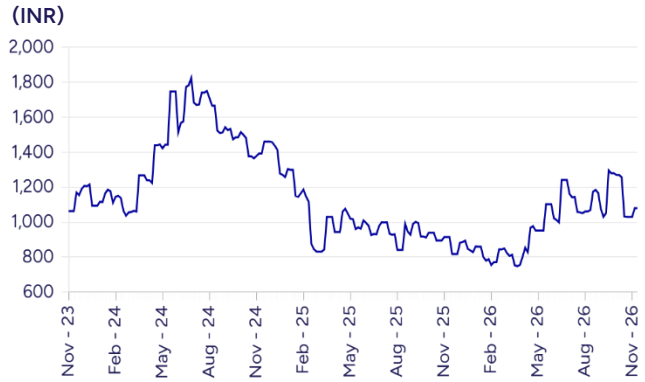
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	14.2	22.3	27.4	31.9
CEPS	27.2	36.5	43.6	49.9
BVPS	204.9	220.6	241.9	262.5
FCF	3.5	6.7	18.0	21.2
DPS	4.0	5.6	11.4	12.5
Return Ratio (%)				
RoCE	8.6	11.6	13.4	14.6
ROIC	5.7	9.9	12.0	13.4
RoE	7.3	10.5	11.9	12.7
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	111	103	103	102
Valuation (x)				
PER	78.4	49.9	40.6	34.9
P/B	5.4	5.0	4.6	4.2
P/CEPS	41.0	30.5	25.5	22.3
EV/EBITDA	35.9	27.0	22.1	19.0
EV/Sales	4.0	3.7	3.3	3.0
Dividend Yield (%)	0.4	0.5	1.0	1.1
FCFF Yield (%)	0.3	0.6	1.6	1.9
PEG Ratio	(3.3)	0.9	1.8	2.1

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Oct-26	HOLD	1257	1072
2	10-Aug-26	HOLD	1072	1121
3	08-Jul-26	Reduce	986	1081
4	16-May-26	REDUCE	986	1102
5	09-Apr-26	HOLD	825	855
6	30-Jan-26	Hold	825	788
7	07-Jan-26	Hold	894	824
8	31-Oct-25	Hold	894	901
9	07-Oct-25	Hold	835	919
10	08-Aug-25	Hold	835	841

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	7005	6944
2	Apar Industries	Accumulate	16674	15846
3	BEML	Accumulate	2007	2011
4	Bharat Electronics	Accumulate	378	452
5	BHEL	REDUCE	426	464
6	Carborundum Universal	HOLD	1257	1072
7	Cummins India	BUY	5414	4386
8	Elgi Equipments	Accumulate	602	638
9	Engineers India	BUY	328	252
10	GE Vernova T&D India	BUY	5928	4020
11	Grindwell Norton	Accumulate	2245	1955
12	Harsha Engineers International	Accumulate	462	462
13	Hindustan Aeronautics	BUY	4746	5795
14	Hitachi Energy India	HOLD	31610	34026
15	Ingersoll-Rand (India)	Accumulate	4089	5029
16	Kalpataru Projects International	Accumulate	1454	1472
17	KEC International	BUY	363	451
18	Kirloskar Pneumatic Company	BUY	790	536
19	Larsen & Toubro	BUY	4437	3665
20	Praj Industries	BUY	353	242
21	Siemens	HOLD	3793	3831
22	Siemens Energy India	BUY	3344	3655
23	Solar Industries India	BUY	20050	23124
24	Thermax	REDUCE	3230	3952
25	Triveni Turbine	HOLD	529	615
26	Voltamp Transformers	BUY	11858	10262

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

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