“Carborundum Universal Limited Q4 FY’26 Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day and welcome to Carborundum Universal Q4 FY26 Earnings Conference Call hosted by Equirus Securities Pvt Ltd.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Harshit Patel from Equirus Securities. Thank you and over to you, Mr. Patel.

Harshit Patel: Thank you. Hello, good morning to everyone. We welcome you to Carborundum Universal Q4 FY26 and Full Year FY26 Earnings Conference Call.

We have with us from the Management, Mr. Sridharan Rangarajan – Managing Director, and Mr. G. Chandramouli – Advisor - Investor Relations.

I would now request the Management to give their opening remarks on how the 4th Quarter as well as full FY26 went by and provide some outlook for the future. Over to you, sir.

G. Chandramouli: Good morning. I am Chandramouli.

Let us start the proceedings with a disclaimer:

During this call, we make certain statements which reflect our outlook for the future, or which could be considered as a forward-looking statement. These statements are based on management current expectations and are associated with uncertainties and risks are more fully detailed in our annual report, which may cause the actual result to differ. Hence, these statements must be reviewed in conjunction with the risks that the company faces.

Thank you.

Sridharan Rangarajan: Thank you. Good morning to all of you and a very warm welcome to our 4th Quarter and Full Year Earnings Call for the Financial Year FY26. I trust you and your family members are safe and healthy.

We will begin this call by providing an overview of the Company's performance for the full year FY26 and Q4 FY26, followed by an outlook for FY27. We also plan to share some glimpses of our Aspiration 2030 later in the call.

To start with standalone sales:

On a full year basis, standalone sales in FY26 was INR 3,024 crores compared to INR 2,784 crores in FY25. This is a growth of 8.6%. It may be noted that the Company has crossed the mark of INR 3,000 crores in standalone revenue this year. Growth at standalone level was driven

by the Electrominerals segment, which grew by 11.1%, recording a sales of INR 906 crores compared to INR 815 crores last year.

Ceramic segment grew from INR 939 crores last year to INR 1,000 crores in this year. This is a growth of 6.5%.

Abrasives increased from sales of INR 1,195 crores in FY25 to INR 1,270 crores in FY26, marking a growth of 6.2%.

Across the standalone segment, growth rebounded strongly over H2 and particularly in Q4 FY26. Standalone sales increased from INR 1,410 crores in H1 FY26 to INR 1,614 crores in H2 FY26, reflecting a strong sequential growth of 14.4%.

On a year-on-year basis, H2 FY26 grew by around 14.1% compared to INR 1,415 crores in H2 FY25. You may note that H1 FY26 was only marginally higher by about 3%.

Standalone Abrasive grew from INR 594 crores in H1 FY26 to INR 675 crores in H2 FY26, which is a growth of 13.7% on a sequential basis. On a year-on-year basis, Abrasive grew 15.6% compared to the last year same period.

Ceramics increased from INR 466 crores in H1 FY26 to INR 534 crores in H2 FY26, marking a sequential growth of 14.5%. Year-on-year, it grew by 8% in H2 FY26 and 4.9% in H1 FY26.

Electrominerals grew from INR 425 crores in H1 FY26 to INR 481 crores in H2 FY26, an increase of 13.2% sequentially. On a year-on-year basis, the segment delivered strong growth of 15.5% in H2 FY26 and 6.5% in H1 FY26.

Overall, the growth in H2 FY26 was broad-based across all segments, with Abrasives, Ceramics, Electrominerals all contributing double-digit sequential growth, leading to a strong performance in comparison with H2 FY25, as well as in comparison to H1 FY26.

In Q4 FY26, standalone Sales recorded at INR 845 crores, compared to INR 769 crores in Q2 FY26, reflecting a sequential growth of 9.9%, compared to INR 687 crores in Q4 FY26. Sales grew by 23.1% in that period.

Abrasives grew from INR 323 crores in Q3 FY26 to INR 353 crores in Q4 FY26, marking an increase of 9.3% sequentially and compared to Q4 FY25, it recorded a strong growth of 21.5%.

Ceramic increased from INR 255 crores in Q3 FY26 to INR 279 crores in Q4 FY26, marking an increase of 9.2% sequentially and compared to Q4 FY25, it grew by 21.7%.

Electrominerals rose from INR 229 crores in Q3 FY26 to 252 crores in Q4 FY26, marking a growth of 9.7% sequentially and compared to Q4 FY25, it grew by 22.3%.

Standalone profit after tax:

FY26 PAT was INR 416 crores, compared to FY25 PAT of INR 322 crores, reflecting a growth of 29.4% year-on-year. The PAT of FY26 includes a dividend from one of the subsidiaries of about INR 76 crores.

H1 FY26 PAT stood at INR 209 crores, compared to H1 PAT of INR 180 crores, registering a growth of 16.4%. H2 FY26 PAT was INR 207 crores, compared to H2 FY25 PAT of INR 142 crores, a strong growth of 45.9%.

Q4 FY26 PAT came in at INR 122 crores, compared to Q4 FY25 PAT of INR 61 crores, resulting in doubling of profit in this quarter.

Now I would move to the consolidated results:

Consolidated sales on a full-year basis was about INR 5,149 crores in FY26. This marks a growth of 6.5% over the sale of INR 4,833 crores in FY25. It may be noted that the Company has surpassed the mark of INR 5,000 crores in the consolidated revenue this year.

Consolidated growth was driven by Ceramics segment, which grew from INR 1,160 crores to INR 1,268 crores, marking a growth of 9.3%.

Consolidated Abrasive segment grew by 5.1%, from INR 2,159 crores to INR 2,271 crores.

Consolidated Electrominerals grew by 3.7%, going from INR 1,574 crores to INR 1,632 crores. The muted consolidated Electrominerals growth reflects the higher base in FY25 due to VAW. You will note that VAW was sanctioned in January 2025, so in FY25 VAW had a normal sale of three quarters.

In Q4, FY26 consolidated sales were INR 1,383 crores compared to INR 1,199 crores. This is a growth of 15.4%. Growth in Q4 was driven by Abrasives which grew by 13.4%, Ceramics which grew by 18.6%, Electrominerals which grew by 14.0% over Q4'25. Compared to Q3-26 which recorded sales of INR 1,273 crores, sales in Q4 grew by 8.7%.

During the last call, I said the consolidated sales would go by 5.5% to 6.5%. Against this, we have recorded a growth of 6.5%.

Now I will cover the consolidated profit:

Consolidated PBT before exceptions in FY26:

Consolidated profit before exceptional items and taxes stood at INR 416 crores compared to INR 572 crores in the previous year, reflecting a drop of 27.2% year-on-year. The majority of this decline was on account of VAW almost about INR 87 crores, Foskor almost about INR 22 crores, Awuko INR 19 crores, Rhodius about INR 46 crores. I will cover these in detail later.

Exceptional items- Foskor and AWUKO:

In FY26, exceptional items amounting to INR 135 crores have been recorded in the consolidated financial statement. In FY25, there was an amount of INR 104 crores for the provisions relating to the foreign currency deposit and receivable outside of CUMI Group following the imposition of sanctions in January 2025.

During the financial year, CUMI International Limited, the holding company of Awuko, approved to initiate the closure of Awuko through a voluntary winding-up process under the applicable laws in Germany, considering the continued underperformance of the subsidiary with the mounting losses and its inability to turn around in view of the prevailing market conditions.

So, exceptional items relating to this closure amounts to INR 119 crores.

Foskor Zirconia (Pty) Limited is a subsidiary of CUMI International Limited. CUMI holds 51% stake in Foskor Zirconia indirectly. Foskor Zirconia has not been able to achieve sustainable profits since 2013, despite several strategic and operational restructuring initiatives undertaken in the past. Further, the escalation in electricity and other input costs in South Africa, coupled with the intensifying global competition and foreign exchange fluctuations, has rendered the business commercially unviable. Turnaround initiatives have been adversely impacted by the prevailing market conditions, marking the continuation of operations unsustainable.

Accordingly, the Board of Foskor Zirconia, based on the recommendations of the management, has concluded that it is not in a position to continue the operations and there is no realistic alternative and will be seeking requisite approvals in this process. Accordingly, the consolidated FY26 financials include the impact of INR 16 crores relating to the write-down of various assets to the realisable value.

I will cover the profit before interest and tax:

Standalone PBIT:

At standalone level, the business reported a total PBIT of INR 525 crores in FY26 as compared to INR 425 crores in FY25, reflecting a strong growth of 23.4%. Segment results of INR 491 crores in FY26 is marginally higher than the results of INR 489 crores in FY25.

At segment level, Electrominerals delivered a strong performance, increasing from INR 63 crores to INR 82 crores, registering a robust growth of 31.1%.

Abrasive PBIT was INR 195 crores in FY26 compared to INR 193 crores in FY25, registering a marginal growth of about 0.9%.

Ceramics declined from INR 233 crores to INR 214 crores, reflecting a drop of 8%. We will cover this later in the call.

Consolidated PBIT:

Consolidated PBIT was INR 404 crores in FY26 compared to INR 541 crores in FY25. This marks a decline of 25.3%. The drop is due to VAW, Foskor, Awuko and Rhodius. As I explained earlier, I will cover this later in detail.

I will go to the segmental performance.

Abrasive segmental performance:

Consolidated Abrasives recorded a sales of INR 2,271 crores in FY26 as compared to INR 2,159 crores in FY25, registering a growth of 5.1%.

On a quarterly basis, sales of INR 610 crores in Q4FY26 grew by 13.4% compared to INR 538 crores in Q4 FY25.

On a sequential basis, sales grew from INR 569 crores in Q3 FY26 to INR 610 crores in Q4 FY26, reflecting a growth of 7.2%.

Consolidated Abrasive sales growth was driven by growth in the standalone segment, Rhodius Abrasives, Awuko Abrasives, CUMI America and Sterling Abrasives. During our last call, I communicated a sales growth of 4% to 5% in consolidated Abrasives we can expect, we are now at a growth of 5.1%.

Now, I will cover standalone Abrasives:

At standalone level Abrasives recorded a full year performance of INR 1,270 crores in FY26, as compared to INR 1,195 crores in FY25, reflecting a growth of 6.2%.

On a half-yearly basis, H1-26 stood at INR 594 crores against INR 611 crores in H1-25, registering a decline of 2.8%. However, in H2 showed a strong recovery, increasing to INR 675 crores from INR 584 crores in H2 FY25, reflecting a growth of 15.6%.

The overall performance improved from INR 594 crores in H1 FY26 to INR 675 crores in H2 FY26, marking a growth of 13.7% sequentially.

Overall, the full year growth was driven by a strong rebound in the second half. You would note that the business faced issues such as inventory correction from the dealer channel, unseasonal rains which delayed construction activity in some markets, tepid demand in the industrial segment and a short period of caution in the northern markets following the Pahalgam attack.

We undertook a range of go-to-market initiatives, including market expansion activities such as dealer appointment, new product introduction, branding of established products in newer

geographies, onboarding of key potential OEMs as customers and a host of other initiatives. Besides this, implementation of GST rate rationalization and a rebound in festival season demand provided a growth impetus.

I will move to Rhodius Abrasives.

Rhodius Abrasives in FY26 was EUR 61 million compared to sales of EUR 67 million in FY25. This marks a decline of 8.8%. In Q1 FY26 Rhodius made a transition to a new third-party logistics partner, considering the long-term operational efficiencies. This transition resulted in a loss of sales of about EUR 5 million. We communicated this earlier with you. While operations resumed to normalcy by Q2 FY26, the lost sales in Q1 FY26 could not be regained over the rest of the years.

Overall, I think they delivered sales of EUR 61 million compared to EUR 67 million. We expect sales in FY27 to grow by 5% in FY27. The PAT loss in FY26 was EUR 2.6 million compared to EUR 0.2 million in FY25. We expect FY27 the PAT to be a very small loss.

Awuko Abrasives:

Awuko recorded a sales of EUR 10.5 million in FY26 compared to sales of EUR 10.1 million in FY25. This is a growth of 4.6% in Euro terms. The loss before exceptional and tax increased from EUR 6.6 million to EUR 7.7 million in FY26. This marks an increase of 15.8%. Losses were higher in Awuko on account of various factors. Anyhow, we have decided to wind down the Company as following the legal process as given by the respective countries.

Abrasive PBIT in the standalone Abrasives FY26 recorded a marginal growth of 0.9% year-over-year. Looking at the half-year dynamics, there was a strong sequential recovery with the H2 FY26 growing by approximately 31.3% over H1-26. While there was a significant gain in the momentum over H2 due to reasons explained earlier, the impact of lower volumes in H1 and the resultant lower cost absorption offset the profitability gains in H2.

The standalone PBIT margin percentage decreased from 16.1% in FY25 to 15.3% in FY26, and 81 bps drop. This decline was mostly on account of the lower volume in H1 FY26.

At the consolidated level, PBIT margin dropped by 36.2% going from INR 151 crores in FY25 to INR 97 crores in FY26. Higher losses at Rhodius, Awuko contributed to this decline. RHODIUS Lost INR 45 crores versus nearly INR 0.44 crores in FY25 and Awuko INR 75 crores of loss versus INR 58 crores of loss last year.

At the consolidated level, PBIT percentage of Abrasives segment dropped from 7.0% to 4.3%. During the last call, I said PBIT margin of Abrasive would be 4% to 4.5%. We are now at 4.3%.

EMD segmental performance:

Consolidated Electrominerals:

Consolidated Electrominerals recorded sales of INR 1,632 crores in FY26 compared to sales of INR 1,574 crores in FY25. This marks a growth of 3.7%. The growth at consolidated level is entirely on account of lower sales at VAW Russia, which declined by 22% in INR terms in the Electrominerals segment.

VAW Russia:

In rouble terms, VAW recorded sales of almost 6 billion roubles compared to 9.4 billion roubles in FY25. This marks a decline of 35.3%. Sales in Abrasives segment in VAW was about 14% lower compared to FY25. Sales in Ceramics segment was lower by 31% compared to FY25. Profit before exceptional items and tax of the entity declined from 1.7 billion in FY25 to rouble 617 million in FY26. Lower sales and profits are on account of the sanctions imposed by the USA, despite the volume being considerably lower, the business continues to be profitable at its current level of operation.

Standalone Electrominerals:

Standalone Electrominerals recorded a full year performance of INR 906 crores in FY26 as compared to INR 815 crores in FY25, reflecting a strong growth of 11.1%. On a half-yearly basis, H1-26 stood at INR 425 crores against INR 399 crores in H1-25, registering a growth of 6.5%. H2 FY26 increased to INR 481 crores from INR 416 crores in H2FY25, reflecting a stronger growth of 15.5%. Sequentially, the performance improved from INR 425 crores to INR 481 crores, with a growth of 13.2%.

Overall, the full year growth was driven by stronger growth in exports. Exports grew by 100% from FY25 to FY26 and currently contribute to little over 33% of the total sales, compared to 11% of the sales in FY25.

Exports were driven by leveraging business existing relationships with many global OEMs across Abrasives and Refractories. Introduction of treated grains, coupled with anti-dumping duties against Chinese grains by EU, all helped to achieve this.

Foskor Zirconia (Pty) Limited:

Sales at Foskor Zirconia recorded ZAR 461 million compared to ZAR 415 million in FY25.

This marks a growth of 11.2% in RAND terms. The loss after tax without exceptional effect increased from ZAR 27 million in FY25 to ZAR 77 million in FY26. In ZAR terms, loss before exceptional items and tax increased from ZAR 37 million in FY 25 to ZAR 77 million in FY26. The volatility in Zircon Sand price, drop in ZAR 450 price and an appreciation of the RAND against the US dollar impacted the bottom line and hence the losses increased.

So, we decided to find that this is not viable anymore to continue.

Electrominerals PBIT:

Consolidated PBIT on a full year basis, recorded INR 91 crores in FY26 compared to INR 177 crores in FY25. A majority of this drop was on account of the sales drop due to sanctions at VAW and on account of the higher losses at Foskor Zirconia.

Standalone Electrominerals PBIT grew by 31.1% in FY26, at INR 82 crores compared to INR 63 crores in FY25. During the last call, I gave a guidance of 1% to 2% of the sales growth in consolidated Electrominerals, we are at 3.7% now. In the last call, I said PBIT margin could be 4.5% to 5.5%. We are at about 5.6%.

Consolidated Ceramics:

Consolidated Ceramic sales a full year was INR 1,268 crores compared to sales of INR 1,160 crores in FY25, which marks a growth of 9.3%. Growth was driven by standalone business, which grew from INR 939 crores to INR 1,000 crores in FY26.

I will cover in detail the Ceramics.

Our Ceramics segment consists of Industrial Ceramics, which is 57% of the Ceramics segment, and refractors, which is 43% of the Ceramics segment. Industrial Ceramics full-year sales stood at INR 569 crores in FY26 compared to INR 528 crores in FY25, reflecting a growth of 7.8%. Sales in H2 grew by about 10.7%. Industrial Ceramics is broadly divided into three segments, wear Ceramics, Engineering Ceramics, and Metallized Ceramics. Wear Ceramics, which constitute roughly 30% of the business, offers wear resistance products and engineering Ceramics, which constitutes about roughly, again, one-third of the business, as a suite of customised Engineering Ceramics, such as C-channels, spark plugs, rings, x-ray, image-intensified tubes, etc. Metallized cylinders are used in vacuum interrupters in the power transmission distribution industry that constitutes another one-third of the business.

Standalone Wear Ceramic business, which de-grew by 9%, sells to three broad geographical segments. It sells products to CUMI Australia, CUMI America and CUMI India. While Australia grew by roughly about 13%, India also grew well by 12%. The exports to America de-grew by 40%.

Within the wear protection business, sales in Australian subsidiary grew by 13%, driven by strong orders with the OEMs.

Domestic business grew by 12%. Engineering Ceramics segment grew by 30%, driven by the SOFC segment, which is seeing a strong demand in the AI-driven data center segment.

Metallized Cylinder business grew by 9%. This segment, which typically grows about 14%, was impacted by a production-related challenge that cropped up in H1 but got addressed by Q4. This was resolved by Q4. Operations are back to normal. Hence, there is a fall in growth to 9%.

I will cover Refractories now:

Full year Refractories consist of two broad segments, Refractories and Anti-Corrosive products. Refractories constitute 77%, Anti-Corrosives constitute 23%. Full year Segmental stood at INR 437 crores compared to INR 418 crores, reflecting a growth of 4.7%. The Refractory business dropped by 4.3% in H1FY26 compared to H1FY25. This was aided by strong return of deferred projects, especially in the glass segment.

Orders in Anti-Corrosives and Structural Composite business have been well sustained over the year. They grew very well in the last year. Sales driven by a fertiliser industry in structural composite business demand was strong in various sectors. During the last call, we gave a sales growth of 13% to 14% in Ceramics. We achieved 9.3% growth in Ceramics.

We will move to CAPEX:

Consolidated CAPEX was INR 309 crores, of which standalone constituted INR 235 crores. We communicated CAPEX estimate of INR 350 crores during our last calls.

I will provide a brief about what CAPEX we did last year:

In H1FY26, we commissioned the first module of an exclusive facility for the manufacturing of advanced components for semiconductor wafer fabrication equipment with a CAPEX outlay of INR 66 crores. The facility comprises of an end-to-end capability from preparation of high purity powders to precision machining and cleaning will cater key global OEMs.

Serial supplies of qualified products will commence in FY27, with the line utilisation gradually improving. Further expansions in line with the development roadmap and long-term strategy is very much there. In the first year of serial production in FY26, the focus would be on assimilating technologies and establishing a stronger system. A gradual ramp-up in FY27, the focus supplies to the key customer will be on.

In aerospace and defence segment, we have commissioned a new facility with an outlay of INR 49 crores to produce advanced Ceramics for ballistic protection of vehicle and personnel. The business is expected to scale up high in 2030 gradually. Further ramping up will happen around that time. In this segment, we have secured STANAG 4 qualification of vehicle armor and for personnel protection of Ceramic qualified BIS Threat Level 5 and 6, equivalent to NIJ 3 Plus and 4 levels. We are awaiting SCOMET approval, which will enable us to expand the business.

The next major program is the upgradation of the existing white fuse alumina furnace from 2 MVA to 4.5 MVA, which will increase the existing capacities substantially. CAPEX outlay for this is about INR 53 crores, including the installation of 110 kV substation to meet the future

power requirements of the plant. The incremental capacity will have a maximum revenue potential of 95 crores for the full utilisation.

We have increased the treatment facility as well. This is a CAPEX outlay of INR 30 crores. This CAPEX is a maximum potential revenue of about INR 120 crores.

Additionally, pilot facility was established for the manufacturing of Ceramic powders for Solid Oxide Fuel Cells. The facility will leverage the technology tie-up we have with CGCRI. During the year, the business also entered into an agreement with the leading industry expert for the transfer of technology towards manufacturing of aluminum nitrate and silicon nitrate powders.

The next major growth project is the commissioning of thin wheel capacity at Hosur using the assets that we bought from DRONCO. The total CAPEX outlay is INR 83 crores and can produce 46 million thin wheels with a peak revenue of about INR 120 crores.

FCF:

Free cash flow on a full-year basis at a consolidated level is 56.6% to PAT compared to last year's 16.1%. On a standalone level, the FCF to PAT was 46.5% compared to 14% last year. The debt-equity ratio is 0.08.

Now I will go to the guidance:

At the consolidated level, we expect the sales to grow approximately 4% to 4.5% in FY27. However, if we exclude the revenue contributed from Foskor Zirconia and CUMI Awuko, which accounts to INR 343 crores in FY26 sales, and compare it with our business plan, comparable growth will be 11% to 12%. Consolidated Abrasive sales are expected to grow by 5.5% to 6%. However, if we exclude the revenue from Awuko, which is about INR 108 crores in FY26, sales growth will be 11% to 12%.

Consolidated Ceramic growth is expected to be in the range of 15% to 15.5%. Consolidated Electrominerals sales are expected to decline by 6.5% to 7% on account of the closure of Foskor Zirconia, which accounted for INR 235 crores in FY26. However, if we exclude the revenue contribution from Foskor Zirconia in FY26 and compare it with what we are planning to do in FY27, the growth would be 8% to 9%.

Consolidated Abrasives margins are expected to be around 9.5% to 10%. The reported margin in FY26 is 4.3%. However, if we exclude Awuko losses, the comparable margin % for FY26 would be 7.9%. So, basically, it will grow from 7.9% to 9.5 to 10%. Consolidated Ceramics margin would be 20.5% to 21%. The reported margin is 20.2%. Consolidated Electrominerals margin could be 9% to 9.5%. In FY26, the reported margin is 5.6%. However, if we exclude the loss of Foskor Zirconia and compare it, the FY26 margin would be 9.1%. So, basically, from 9.1, it would be 9.0% to 9.5%. We expect to do a CAPEX of about INR 400 crores in FY27. The key CAPEX program for FY26 includes expansion of Advanced Ceramics for power electronics, including substrate, metallized tubes, rings, braced assemblies, expansion of Brown-

Fused Alumina, addition of an integrated furnace facility for thermal spray powders and Zirconia furnace and grain processing facility.

We also intend to do 110 kV substation and tunnel kiln for Refractories. These are the major projects which should account for about INR 400 crores of CAPEX.

Now, I would quickly cover our Aspiration 2030:

The Company launched its Aspiration 2030 in FY26 is the first year. The aspiration is built on seven key building blocks:

- Building a high-performance organisation
- Ambitious growth for the current businesses
- Focusing on innovation
- Exploring new opportunities for growth
- Achieving manufacturing excellence
- Strengthening sales and marketing excellence
- Supporting all this through digital and ESG initiatives.

Progress is regularly tracked through structured reviews involving teams across the business.

In the abrasive business, the Company has a clear market strategy across the segments and it's expanding dealer networks, strengthening relationships with existing partners. The focus is also gaining the new customers and increasing business with the current ones. The Company is strengthening its presence in the areas where it currently has low presence.

It has also grown its sourcing of business and has set up a new vertical for this, a clear roadmap for the new products to be introduced with the well-supported investment in R&D team and capability and process building in R&D team.

The thin-wheel capacity based on assets acquired through DRONCO has been discussed earlier to stay competitive against the low-priced products, especially from China. The Company has launched a cost optimisation program, across significant SKUs, and strengthened the coordination between sales, product development and quality teams using digital tools.

In the Electrominerals business, the capacity is being expanded by upgrading furnaces. The Company is also increasing its capacity in value-added products in alumina and diversifying raw material sourcing. Exports are a key priority and already form a significant share of the business.

Electrominerals, I would like you to look at it in three broad categories:

Core:

Our range of fused alumina products including BFA, WFA and silicon carbide products constitute our core product portfolio. We have expansion plans in both WFA and BFA. While

the core products will continue to form the bulk of our product basket, its share is expected to current level of 85%. It will come down to 55% to 60% by 2030 as other product categories would scale up.

Treated products:

Treated products which include products that undergo heat treatment and coating are relatively high performing in nature. As discussed earlier, we are undertaking a related CAPEX initiative in this area. We aim to increase the share of treated-grains from 5% to 6% at the current level, nearly 20% by 2030.

Specialty products:

The business currently manufactures alumina Zirconia products catering to applications in Abrasive, Refractories, metal matrix, composites and related industries. We also produce some zircon mullite grains. We have expansion plans for both alumina Zirconia as well as Zirmul. In addition, as part of the LTS initiative, we plan to start production of calcia-stabilised Zirconia and monoclinic Zirconia. Collectively, this suite of Zirconia-based products will form specialty products portfolio, whose share is expected to increase from 8% currently to 18% to 20% by 2030.

Transformational products:

At the same time, the Company is investing in new technologies and products such as SOFC powders and Nitrides, which are expected to drive future growth. In FY26, we have commissioned a pilot lab facility with a spray pyrolysis technology to prepare powders for SOFC and SOEC cathodes. This was done based on the technology transfer from CGCRI. Going forward, we will focus on capacity creation and securing anchor customers. There has been good progress on Nitrides side as well, with a leading technology consultant being onboarded in this year.

Apart from this, the business has achieved 5N purity on HPSiC and will be working on securing customers for the same over FY27. The technology route for 6N Purity of HPSiC has also been initiated and the business is currently working on a pilot scale manufacturing facility for the same.

Besides this, we are working on establishing applications for graphene in bioplastics, coating, concrete and rubber. All these areas, such as thermal spray powders, electrolytes or Ceramic powders for SOFC, SOEC, Nitrides, HPSiC graphene are collectively called transformational products. We expect transformational products to contribute around 10% by 2030 compared to the current level, practically very little.

Growth in this segment is expected to be gradual as these are advanced materials catering to the emerging sector. We believe we need to create a good base in the transformational product in the aspiration period and create a new leg of growth beyond 2030.

Ceramics:

When we come to Industrial Ceramics segment, we can view it as core and emerging businesses where metallized cylinders for vacuum interrupters, engineering Ceramics for diverse applications would fall under the core business.

Emerging business encompass components for semiconductor wafer fab equipment, aerospace and defence electronic substrates.

In the core segment, the business plan is to increase metallized cylinder capacity substantially from the current level. Additionally, the business would expand production facility to meet the growing demand in SOFC segment.

In the emerging segment, the Company is entering into high growth areas like semiconductors through newly commissioned plants which manufacture components that go into wafer fab equipment. Products have been approved by key customers for serial production. Work is also underway to build capabilities in advanced electronic components through global major tech partners.

Additionally, the business is entering to Active Metal Brazed (AMB) and Direct Bonded Copper (DBC), AMB products and DBC products, substrates and brazed assemblies for power electronics. A qualification program has been drawn and both these critical product segments and prototype development submission will be completed this year.

In the Refractory business, the growth will be based on both fired and monolithic businesses. The fired Refractory portion of the business, we are increasing the capacity by 75%. Additional capacity will focus on mullite, high alumina and IFB bricks, PCPF shapes for application in glass, Petrochem, super alloys and Ceramics. We are also progressing on our plans to increase our monolithic capacities. We will gradually ramp up our capacity in the composites business as well in carbon bricks, floor coating, and advanced structural composites.

While we do this host of initiatives at the business, we have also done good work in terms of the support functions. CUMI's manufacturing excellence program which works on integrated manufacturing excellence framework, improvements in quality, cost, delivery and operational efficiency across businesses. This program has delivered its intended cost savings in the first year through automation, digitally enabled QAQC and throughput improvement in key assets beyond savings, IMEX focuses on institutionalising a culture of manufacturing excellence and the support of manufacturing excellence academy which runs the program for both management and non-management staff. The Company is also strengthening sales capabilities through CRM implementation and the sales excellence academy which aims to drive more data-backed approach to sales.

Digital initiatives are further enhancing the manufacturing and planning systems, including the rollout of manufacturing execution system, MES, across identified plans and implement the S&OP software.

Safety and sustainability remain central to the company's long-term strategy through a structured EHS excellence framework. The Company is advancing its goal to Net Zero Emission, water positivity and improved material circularity.

FY 2030 targets include:

Increasing renewable energy use to 50%, reducing emission intensity by 25% and lowering energy intensity by 20% from FY2025 levels. Progress is supported by renewable energy adoption, cleaner fuels, waste heat recovery, energy efficiency initiatives. The Company has also made significant progress in zero harm journey recording a substantial reduction in LTIFR through risk management and behavioural safety programs.

People capability development remains a key enabler of growth under a program called FACeD to perform. The framework consists of focus on the factory, which is the first major initiative, acquisition of talent, rewarding career path, employee experience and development of talent. We aim to do a high-performance organisation relationship development initiative, includes the next 100 programs or helping build a strong future-ready talent pipeline.

Alongside this, the Company is driving cultural transformation through BEFAST behaviours, bold and timely decision-making, embracing change with a solution-driven mindset, fairness to all stakeholders, accountability in decision-making and standing up for each other.

I would like to summarise that we continue to drive the focused execution across functions with multiple initiatives. The progress achieved in the first year of execution is really giving us confidence.

We have delivered the top line as well as the bottom line as per our internal targets and the progress from the functional level also has gone well.

With this, I would like to open up for Q&A. I know it is a long opening remark, but I thought it is needed. We would have 45 minutes of Q&A.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin with the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Jonas Bhutta from Aditya Birla Mutual Fund. Please go ahead.

Jonas Bhutta: Good morning sir and thank you for the opportunity. Firstly, I just want to congratulate the management on taking a timely decision on the divestiture of an Awuko. I had two questions, both relating to your high growth or emerging segments. Firstly, if you can touch upon the SOFC segment, there we have seen the client place some very large orders on another vendor in India, provides line of sight right up till Calendar Year ‘29 and in fact 2030 as well. In your case, if you can give us the lay of the land in terms of how has that business for you grown? What is your wallet share? Are you one of the many vendors for those Ceramic parts? Do you see any disruption in the technology that leads to lower adoption of Ceramics in that thing? Can this

business become like a 10% to 12% portion of your sales, maybe three or four years down the line? That's the first question.

Sridharan Rangarajan: Thank you. First of all, we feel that we are a very important shareholder of the particular segment that we serve to the SOFC segment. We believe that we have a vision at least going up to the next year and there's a line of sight the management provides, the customer provides going up to say 2028 like that. The customer also is growing well, so we have to build the capacities using that as a clue, plus the intermediary guidelines that they always give for the next one year. This is how we are looking at and we feel that given what the customer is embarked upon and the kind of growth that they are facing, we feel a very strong growth possibility in this segment. We have grown well last year and we expect to grow well in the coming years as well.

Jonas Bhutta: What would your wallet share with the client be?

Sridharan Rangarajan: We wouldn't like to share such details at this call. As I said, we feel that we are an important supplier to the customer.

Jonas Bhutta: Any guidelines on how big can this business be three years out for you? Not a number, but at least as a percentage, can it be meaningful in terms of like 10% or greater than 10%?

Sridharan Rangarajan: Definitely, it will be a meaningful share that we will have. As we said, the Engineered segment itself is currently one-third of the business that substantially it would grow up is our belief.

Jonas Bhutta: Thank you. The second question was on the new CAPEX that you have done for one of the OEMs. If you can delve a bit on what exactly will that help you get, where is this product used particularly? I think if I got the number right, you did about INR 60 crores to INR 70 crores of CAPEX for that. Where does it take you? Is it predominantly first to get the first articles out and get the pre-qualification and post, which will require a further CAPEX, if you can give a timeline to that? That's my final question.

Sridharan Rangarajan: We have crossed the qualification stage on a set of products and this is an initial investment. As I said, we expect that this investment could go at least 3x to 4x higher and we are geared for that. We also expect the revenue potential also is substantial in this industry.

Jonas Bhutta: Got it. I will take this offline. Thank you.

Moderator: Thank you. Next question is from the land of Harshit Patel from Equirus Securities. Please go ahead.

Harshit Patel: Thank you very much for the opportunity. Firstly, on Abrasive, China has removed the export rebate on Abrasive products from 9% to 0% effective from April onwards. Has the domestic market pricing improved because of this or we have been able to garner a little bit better market share in the last one or two months?

Sridharan Rangarajan: It's a very recent phenomenon at this point in time. A lot of people will have inventory through the imported materials, all that is happening, but we believe that this is good for the domestic industry and it will help us to grow. Of course, the growth in H2 is about 15% is very encouraging. A lot of that could be due to this factor as well. But I think overall, we see a rebound and our work in terms of all the areas, whether it is GTM initiatives, new products that we introduce, bringing cost down of our products, all these combined efforts of our strategy is playing out. This we have been doing over the last 18 to 24 months is now playing out.

Harshit Patel: Understood. Just a follow up to that, given that we posted such a strong growth in the 4th Quarter, if you could explain your growth in terms of how industrial market did, how precision did, how retail Abrasives did and what would be the outlook on these three sub-segments going ahead?

Sridharan Rangarajan: I think I gave a broad outlook in terms of the segmental sales what we are looking at. But we feel that standalone, we grew 6.2% this year. We believe that we can grow in the range of about 12% next year.

Harshit Patel: Understood. My second question is on standalone Electrominerals. What has been the contribution of volumes and higher pricing in the 22% YOY growth that we posted for 4th Quarter? And even the full year growth at 11% was reasonably healthy. Also, you could comment on the Chinese import intensity, whether it has increased or decreased in recent times in that Electrominerals business based out of India.

Sridharan Rangarajan: So, the Chinese intensity continues to be there. There is no kind of coming down of it. But we started focusing more on the treated products, export segments and that is the focus that we are looking atand that gave us this growth that we posted in the full year as well as in Q4. The predominant growth has come from volume. Price is probably you can treat it as flat, some small percentage.

Harshit Patel: Understood, sir. Thank you very much for answering my questions. I will come back in the queue.

Sridharan Rangarajan: Right. Thank you.

Moderator: Thank you. Next question is from the line of Ravi Swaminathan from Avendus Spark. Please go ahead.

Ravi Swaminathan: Hi, sir. Thanks for taking my question. My first question is with respect to the Vision 2030, any revenue target or growth target that we have and any margin target that we have for this?

Sridharan Rangarajan: Ravi Swaminathan, thank you for asking this question. We have not been sharing guidance. We have started sharing only one-year guidance and also giving a program that what we are looking at going for the Aspiration 2030. We believe that it would energise and bring growth substantially from now onwards and we have kind of addressed some of the issues that we are facing in terms of loss-making subsidiaries, so we should see a rebound.

Ravi Swaminathan: Got it, sir and with respect to the Ceramics and Refractories business, if you can once again highlight, you had mentioned numbers in terms of bifurcation between Ceramics and Refractories. If you can call it out once again and what kind of growth that we should think of in each of these individual subsegments if you can give that would be great?

Sridharan Rangarajan: I think I gave an elaborate one, but I will just give a broad outlook to you that we feel that 57% of the Ceramics is Industrial Ceramic and 43% is the Refractory business. The growth overall in the Ceramics segment that we are looking at this year we achieved 6.5%. We expect next year would be in the range of about 14%. I am not sharing the individual data of the Refractory and the Industrial Ceramics, but they would broadly form part of around this range, 14%.

Ravi Swaminathan: Understood, sir. Yes, thanks a lot.

Sridharan Rangarajan: Thank you.

Moderator: Thank you. Next question is from the line of Amit from PL Capital. Please go ahead.

Amit: Hi, sir. Thanks for taking my question. Just wanted to understand how has been the exports across the segments. I think you mentioned something 11 to 33%. I missed that so if possible for you to give us some colour in terms of exports within Ceramics and Abrasives and what is the kind of outlook there?

Sridharan Rangarajan: I shared the export share of Electrominerals business, which I had said that we have reached a 33% share in the current business, over INR 300 crores of export in Electrominerals business. That's what I shared.

Amit: Right. How has been the export in Ceramics and Abrasives, which we can get the breakup of and what's the outlook there also?

Sridharan Rangarajan: The biggest portion of the Ceramics, over 80% of the business is all exports, and that is doing fine. That basically whatever is the growth that I talked about on Industrial Ceramics predominantly comes from those areas. Abrasive, a very small portion of the Abrasive business is the export. Less than 10% is the export.

Amit: Understood, sir. My second question is on Rhodius. I think you guided about 5% top-line growth and kind of breakeven or some very small loss. So, what exactly are we factoring in. The growth seems to be still kind of mid-single digit, but we are expecting breakeven. So, where exactly improvements will happen? And if you could elaborate more in terms of how business volumes are happening in Rhodius and what will lead to the turnaround this year?

Sridharan Rangarajan: So, if you see the last year, the big reason for the drop in is last year, we had almost EUR 5 million impact in terms of the logistics change and that really affected the top-line change. And we feel that they have been growing in the range of about 6% to 7% and we feel that that growth should happen and second is that because of this loss of sale as well as the margin impact due to this loss of sale, along with the logistics costs on the shift, these things would come down, and

hence we feel that we should get back to a small loss or a breakeven. The third reason is that we are also now working on a program with the Rhodius team in terms of how do we accelerate the profitability as a special program. So, these are the reasons why we think that we should get here.

Amit: Understood sir. Thank you. Thank you, sir.

Sridharan Rangarajan: Thank you.

Moderator: Thank you. The next question is from the line of Harshit Patel. Please go ahead. There is no response on the line of Harshit Patel. The next question is on the line of Akshay Thakur from Helios Capital Management. Please go ahead.

Akshay Thakur: Hi, sir. Thank you for such an elaborate call. So, my question is pertaining to the stationary armour within your defence and also CFRP products for aerospace. So, currently, there is a lot of ecosystems being developed for aerospace and for aeronautics and for this defence as well. Almost 100% of that would be imported. So, how do you see this? Like, in terms of commercialisation, where are we placed? Are the certifications right? Are we negotiating with the OEMs or where are we placed on that?

Sridharan Rangarajan: So, I think you kind of very clearly described this. So, step one is to have the certifications in place, which we are definitely doing it. I described the certifications that we already got. So, pretty much, we are in good shape as far as certification is concerned. We are working with a few anchor customers at this stage. We also have the ability to work with them because they would be the front-ending in terms of what they would finally supply. We are only a product supplier to this case. So, hence, this is how we are planning to move in this model.

Akshay Thakur: Thank you, sir. That was helpful. My second question is, it's been a long time that we are facing the war situation in Russian subsidiary. So, all this time, are we able to figure out any alternative strategy? India also imports a lot of silicon carbide. So, are there any alternative strategies? What type of lower realisation would SIC get in other economies?

Sridharan Rangarajan: Honestly, it's difficult to create a capacity and the cost would be pretty high. So, it's going to be very difficult to recreate anything like that. But at the same time, Russia is not in a position to export products, which is what we are currently going through. So, practically, we need to wait for the sanctions to be lifted, which gives us an ability to go beyond Russia. So, at this stage, we don't have an alternate solution for this.

Akshay Thakur: Thank you, sir. One more question. Can you just throw some light on the subsidiary you have, PLUSS? How is it doing?

Sridharan Rangarajan: PLUSS is doing fine.

Akshay Thakur: In terms of profitability?

Sridharan Rangarajan: Yes, they made profit and it's a very small profit. They are doing fine.

Akshay Thakur: Okay. Thank you, sir. That was good.

Sridharan Rangarajan: Yes.

Moderator: Thank you. Thank you. The next question is from the line of Chintan from Pico Capital Private Limited. Please go ahead.

Chintan: Thank you so much for taking my question. So, sir, one of the questions that I had was that, as you said, the Ceramics business is around 80% exports for us and most of our peers will be global and they spend a lot on R&D. So, how do you see our business and our R&D evolve over the next few years? And what are the key areas that we will be focusing on?

Sridharan Rangarajan: Yes, I think that's a great question. We spend roughly about 1% as R&D and I think this needs to go up and we expect that we should at least start spending 2% to 3% level. We are working in terms of strengthening our R&D team across individual Bus and we are also strengthening the new product development process, coupled with software-enabled process so that we kind of make sure that we do the right thing in terms of the new product, getting the right input from the market, customers and the users. So, all these factors are now being put part of this R&D process. So, strengthening the R&D, building the capability and putting process, we need to accelerate the spend both in terms of CAPEX as well as in terms of OPEX.

Chintan: All right, sir nd the second question I had was more on the Ceramics side. So, basically, a lot of applications in EV require Ceramics. So, are we working on any products or programs with any OEMs or Tier-1s where our Ceramics are getting used on the EV space? And how do you see it evolving over the next three to five years, basically?

Sridharan Rangarajan: Yes, we do work. I think this is part of the Engineered Ceramics that I described and that's why we feel quite upbeat in terms of that segment's growth. So, we are working with Tier-1 suppliers to OEMs. That is how our role would be and definitely we are doing that.

Chintan: And how do you see it evolving, maybe, sir? I mean, would it be a substantial part of our revenues? What are the key focus areas, if you could just elaborate on that?

Sridharan Rangarajan: So, Engineered Ceramics will be a key focus area for us, which would bring a substantial share of our business, which consists of areas like what you talked about in terms of SOFC, EVs, as well as rings. It also consists of image-intensified tubes. All these products groups would fall under that and we feel that the growth rate would be substantial and we also feel that the share of business will go up, and that is how we are creating this capacity. We are also trying to create, as I said, that Ceramic Substrate capacity for electronics is what we are creating. We are working on that. Technology transfer agreement is done. Now, the capacity augmentation would happen in FY27 on that.

Chintan: All right, sir. Thank you so much for taking my questions. Thank you.

Moderator: The next question is on the line of Preet Jain from Nivesh Investment Advisors. Please go ahead.

Preet Jain: Thank you, sir, for taking my questions. Congratulations on a good set of numbers. Sir, my first question is on the semiconductor side. The semiconductor opportunity seems to be a massive long-term driver. So, can you read between structural Ceramics for fab equipment and HPSiC for vapors? And could you map out the current qualification cycle timeline with global OEM? And given the strict purity requirements, when do you expect this segment to cross the threshold into material revenue generation for us?

Sridharan Rangarajan: A lot of loaded comments and you are asking the right question. Particularly on this Ceramic for the wafer fab equipment, in the case that we have built the capacity, the material qualification process is pretty long. It will take about four to six years. We have crossed that and that is how we have created the capacity at this stage. We have samples tested. The development phase is completed and now we will start supplying to them. The serial production will start. So, you are right. It takes a long time and that is how we took a long time to get here. We will now complete Phase-1 and then expand to Phase-2 quickly.

Preet Jain: And when can we expect material revenue generation from that?

Sridharan Rangarajan: 2029 onwards, we can expect. Okay.

Preet Jain: And my second question is, given the massive power distribution and big infrastructure CAPEX happening domestically, how quickly we can de-bottleneck our current metallized capacity? And furthermore, are we seeing traction in penetrating the export market to compete against Japanese players like Kyocera and NGK?

Sridharan Rangarajan: In fact, our metallized cylinder, the biggest portion is only exports. So, definitely we are competing with the names that you are mentioning and we are doing it well and expansion would happen in the next 18 months, 24 months in a phased manner. It consists of three phases, but it could happen in that fashion.

Preet Jain: So, do we have the capacity till 1.5 years next to supply this metallized cylinder?

Sridharan Rangarajan: Yes, definitely. We are one of the number two worldwide player in this field and we feel that we have headroom. Plus, we are also de-bottlenecking and creating the new capacities.

Preet Jain: Okay. And sir, another question is, you are supplying to one of the largest SOFC manufacturers in the world. So, basically, our current realisation, according to our revenue, sits at 13 to 15 lakhs per megawatt of deployed. And given that SOFC manufacturer has expanded its capacity from 1 gigawatt to 2 gigawatt, can I get to know what are your revenue estimations regarding that SOFC product? And given that 5 to 7 year replacement cycle of that SOFC cell, can we also expect revenue from the replacement demand?

Sridharan Rangarajan: I think a lot of that has got sub-elements of it, you are getting headline information, but we feel that definitely the gigawatts of additions that each of them would add would definitely help us,

our demand also would go up. As I said in the earlier question, we feel that the growth rate in this segment is going to be substantially high. We are parallelly gearing up because we are also feeling that we need to work in terms of creating this capacity ahead of time, so which is what we are working on this. I think you are right, step one is to this growth would seem to be going up because of the AI related data center demand, etc. So, definitely, it's a clear sign of growth in that segment and SOFC is a clear market leader in a clean energy segment, which definitely helps us quite a lot.

Preet Jain: If time permits, can I ask one more question?

Sridharan Rangarajan: Yes, please.

Preet Jain: Thank you, thank you for giving me the opportunity. So, basically, China has reduced its export rebate in April 2026 from 9% to 13% on their Abrasives products. So, are we seeing any current traction of Abrasives sales growth volume improving in the current month or in the last month due to this policy?

Sridharan Rangarajan: So, I did comment on this, Preet, a little bit in the earlier question. I think it just happened, we are in the month of May, so a lot of inventory would be there in the system that should get also completed. I feel that definitely it is a good sign, it helps the domestic market to grow faster. We have grown 15% in H2.

Preet Jain: Okay, sir. Thank you, sir.

Moderator: The next question is on the line of Sejal Kapoor from Antifragile Thinking. Please go ahead.

Sejal Kapoor: Yes, thank you for the opportunity. Just a couple of questions on the R&D side of things in the business. What percentage of your recent R&D and innovation projects were deliberately stopped or pivoted or redesigned because customer or market learning invalidated the original assumption? That is my first question.

Sridharan Rangarajan: That is a great question. If I just quickly look around our R&D at 4 BUs, We have not experienced any such program that we stopped or customers request change type of a situation, definitely not. But we have experienced cases where you need to put a particular application, but you require some more work to make sure that the application really is capable of using our product. That type of thing happens.

Sejal Kapoor: Understood. Thank you. So, how will CUMI ensure its investments in silicon carbide, advanced Ceramics and other high-tech materials become high-ROCE scalable businesses rather than technologically strong but capital-inefficient platforms?

Sridharan Rangarajan: I am not sure I agree to your question. Why would you think it's a capital-inefficient platform?

Sejal Kapoor: No. So, I mean, do you have internal benchmarks? We are doing a lot of advanced R&D in the Annual Reports, we are almost confidently saying that post-2030, CUMI will emerge as a very

different-looking business because of the initiatives that we are doing across many things. So, I can name maybe the most futuristic opportunity to my mind is something like semiconductor link materials, EV, but even things like Electrominerals, silicon carbide. We have got most strategic capability around that. Difficulty is also very high. See, ultimately, from an investor perspective, it's about how scalable the business can be and what will be the steady-state ROCE it will generate. The outcome will determine the shareholder wealth creation. So, I was coming from that perspective.

Sridharan Rangarajan: Sure. No, I think these are definitely looked at part of our threshold to evaluate any such opportunity. Clearly, the dimension that you are looking at, market size and opportunity, growth rate and the ROCE that we would get in a steady state, we feel that these areas that we just listed in terms of Ceramics for semiconductors, Ceramic for electronics, high-purity silicon carbide, Ceramics for aerospace and defence, all these areas we feel that are good areas to work on and invest and that's how our programs are on. CUMI is capable of funding itself. If you really look at it, we spent this year INR 310 crores plus CAPEX and we have net zero debt at this point and substantially very good FCF. So, we are able to fund these type of programs and we think that we would spend INR 400 crores next year as well. And a year before, we did spend about INR 250 crores plus.

Sejal Kapoor: Helpful. Thank you so much. That answers all my questions. Thank you. Wish you all the best. Thank you.

Moderator: Thank you, Mr. Kapoor. The next question is from the line of Rachna Kukreja from SIMPL Limited. Please go ahead.

Rachna Kukreja: Thanks for the opportunity. Sir, could you please help me understand the performance of our Abrasive business for our JVs like Wendt? See, the business for Abrasives there has been declining in terms of growth as well as segmental profit margins. If you could give some color on the Wendt performance, it would be very helpful.

Sridharan Rangarajan: So, Madam, I am afraid I will be able to comment on that. This is another listed company. So, I think I would encourage you to stay in touch with the Management. They would be able to provide that. But I think their shortfalls are coming because of the machine building segments and Super Abrasive is doing fine. I would limit my conversation to this level.

Rachna Kukreja: Okay. Thank you.

Moderator: Thank you. We take the last question from Pravesh Kochar from 4Line Capital. Please go ahead.

Pravesh Kochar: Hi. Thank you for taking the question. First one on Ceramics, I think last call, you mentioned we end up doing 13%-14% growth in that segment and then the guide for next year also is at 15%-15.5% and we have ended the year at close to 9%. So, just want to understand what is the gap between those two. Second, again on the Ceramic SOFC side, do we supply only the Ceramic Plates, etc., or are we also in the electrolytes for that particular business? Thank you.

Sridharan Rangarajan: Okay. Two great questions. I think why did we miss? I think that is the only area we missed our guideline. It is largely because of deferred projects, which I think is substantially the one-line reason for why did we miss our guideline and why do we think that we can meet 15 is the backlog and the forecast from our customer gives us that confidence. We are not currently into electrolytes, but you are asking a very deep question. We have the capability because of our Electrominerals business, we have the capability of manufacturing electrolytes. That is the technology we had worked with CGCRI and as I mentioned, we had a small pilot scale plant we established to manufacture that, which is what we just shared in the call as well. So, we have a small capability there. We need to now expand that. At this point in time, it is more a pilot scale.

Pravesh Kochar: On the overall segment, my question was earlier we used to anticipate 16% to 18% kind of growth in the Ceramics segment. So, I was assuming because of the deferred projects, the next couple of years would be in that range, given this year some projects were deferred into next year. So, just trying to understand if structurally there is more competition that you are seeing, or the overall market itself is kind of slowing down?

Sridharan Rangarajan: It is not because of structurally something is changing. I feel that it is more projects, plus a lot of it would depend also on how we do business in America in terms of the Ceramic side of the business. So, these are factors that we have kept in mind when I told the kind of 14% to 15%.

Pravesh Kochar: Understood. Thank you so much and all the best. Thank you.

Moderator: Thank you. That was the last question. I would now like to hand the conference over to the management for closing comments.

Sridharan Rangarajan: So, first of all, I thank you all for patiently hearing us. But I just want to summarise.

We have done fairly well in FY26. We have addressed all the major issues in terms of loss-making subsidiaries. They alone contributed a loss of over INR 100 crores to INR 120 crores. So, the first year of our five-year journey, we have done fairly well. CUMI has created a good base over the last 24 months for this aspiration. CUMI has made a significant capacity and capability investment in FY26. You see three years, INR 280 crores, INR 310 crores. Next year, we would plan to spend about INR 400 crores. All of them are in capacity or capability building, so that would give strong future revenue growth. CUMI has achieved good free cash flow after meeting all CAPEX investment. It is a good sign and CUMI is net debt-free.

CUMI has drawn a good Aspiration 2030. It is well-resourced, both in capacity and capability. It has built a good, strong execution rhythm. Above all, it has a good leadership and a strong team exhibiting “BEFAST” behaviours, which consists of bold and timely decision-making, embracing the change with solution-driven mindset, fairness to all stakeholders, accountability in decision-making and execution, and standing up for each other.

So, thank you all for hearing us during this call. I look forward to meeting you in the next call soon.

Moderator: Thank you so much, sir. With that, we conclude this conference call. Thank you for joining us. I will now disconnect your lines.