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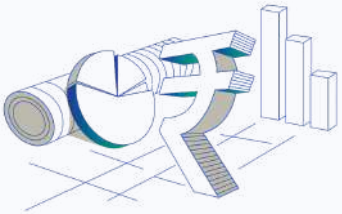
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DIFFUSION

Innovative Superconditioning Solutions



Diffusion Engineers Ltd



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ABOUT COMPANY

Diffusion Engineers Limited (DEL) stands as a formidable entity within the Indian industrial and heavy engineering ecosystem. Incorporated in 1982 under the visionary leadership of Mr. N.K. Garg, the enterprise has successfully navigated a remarkable evolutionary trajectory over the past four decades. The company initially commenced operations as a private limited entity focused primarily on the localized manufacturing of specialized welding electrodes. However, anticipating the structural shifts in the global manufacturing landscape and the escalating demands of asset-heavy industries, the management orchestrated a profound strategic pivot. Diffusion Engineers transitioned from a conventional manufacturer of single-use consumables into a fully forward-integrated, technology-driven provider of comprehensive wear protection solutions, heavy engineering equipment, and specialized industrial lifecycle services.

Headquartered in Nagpur, Maharashtra, the geographic positioning of the company provides a massive logistical advantage, enabling equidistant and highly efficient supply chain distribution across the vast Indian subcontinent. The corporate architecture is supported by a sprawling network of branch offices strategically located in prime industrial corridors, including Ahmedabad, Chennai, Chittorgarh, Faridabad, Jamshedpur, Kolkata, Pune, Raipur, and Secunderabad. This decentralized yet highly integrated operational footprint allows the company to maintain extreme proximity to its core clientele, facilitating rapid deployment of on-site maintenance services and ensuring uninterrupted supply of critical consumables.



SOURCES company website

DIFFUSION ENGINEERS LTD

BUYING RANGE

₹ 355 / 365



TARGET

₹ 500

TIME HORIZON

12 MONTH

+91 8904566150

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About Us

DIVERSIFIED PRODUCT PORTFOLIO ACROSS INDUSTRIES
Specialweldingconsumables,wearplates and heavy engineering equipment

INCORPORATED IN 1982
Establishedas private limited Company Over 4 decades of Experience

- **5 YEAR CONSOLIDATED REVENUE CAGR : 21%**
- Consistent growthinterms of revenues and profitability

- **ORDER IN HAND AS ON 31ST March 2026**
- Rs. 1,741.09 Mn



- **TRUSTED PARTNERSHIPS**
- Trusted,long-termpartnerships with leading players across multiple geographies.

- **STRATEGICALLY LOCATED MANUFACTURING FACILITY**
- 5manufacturing units locatedat Nagpur
- Proposed expansion is expected to commence in Q1 FY27.

- **EXPANDING GLOBAL FOOTPRINT**
- 35+ Countries served Regions that we Export -Middle East, Far East, South Asia, Africa, Eastern Europe, Russia, North America etc.

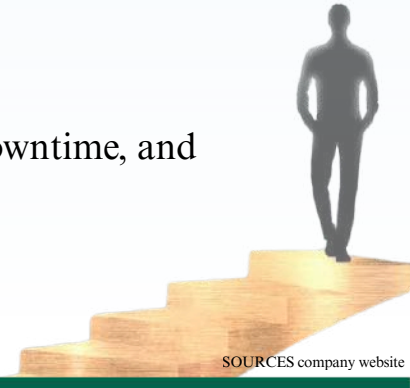
- **11,000+ PROJECTS COMPLETED**
- AcrossCement,Steel,Power,Engineering, Sugar, Defense, Railways, Mining and Oil & Gas.

OUR VISION

Dedicated to driving the World's Engineering progress with our transformative solutions. that transform industries. By building trust and absolute reliability, we aim to be the go-to partner for industries facing high-stakes and complex challenges where success is paramount.

OUR MISSION

We empower the industrial sector to overcome wear, reduce downtime, and future-proof their operations.



SOURCES company website

COMPANY JOURNEY

1982-93

- Incorporated as Private Limited Company
- Commenced manufacturing of welding electrodes

1994

- Acquired land (in part) for manufacturing facility at Unit I

1995

- Converted from Pvt. Ltd. to Public Ltd. Company
- Acquired land (in part) for manufacturing facility at Unit I
- Acquired a subsidiary company, Diffusion Super Conditioning Services Pvt. Ltd.

1997-2000

- Commencement of production of flux cored wires and wear plates.
- Acquisition of land (N-78) for a manufacturing facility at Unit II.

2006-2011

- Acquired land (N-79) for manufacturing facility at Unit II
- Acquired land (Khasra No. 35 & 36) for manufacturing facility at Unit IV

2012

- Acquired land (Khasra no. 38/1, 38/2 and 38/3) for manufacturing facility at Unit IV
- Established subsidiary company, Diffusion Hernon Adhesive and Sealant Private Limited
- Invested in overseas joint venture Company LSN Diffusion Limited (United Kingdom)

SOURCES company website

2013

- Established subsidiary Company in Singapore Diffusion Engineers Singapore Pte Ltd.
- Invested in associate subsidiary in Singapore Mecdiff (Malaysia) Sdn Bhd

2014

- Established a step down Subsidiary Company of Singapore Subsidiary in Philippines, Diffusion Wear Solutions PhilippinesInc

2015

- Acquired land for manufacturing facility at Unit III

2016

- Set up and commenced operations at Unit IV

2022

- Undertook expansion of manufacturing facility at Unit IV

2024

- Incorporated a new subsidiary in the UAE
- Received domestic order worth Rs. 48 Cr for Supply of High-Pressure Grinding Rolls (HPCRS) forCement industry

2025

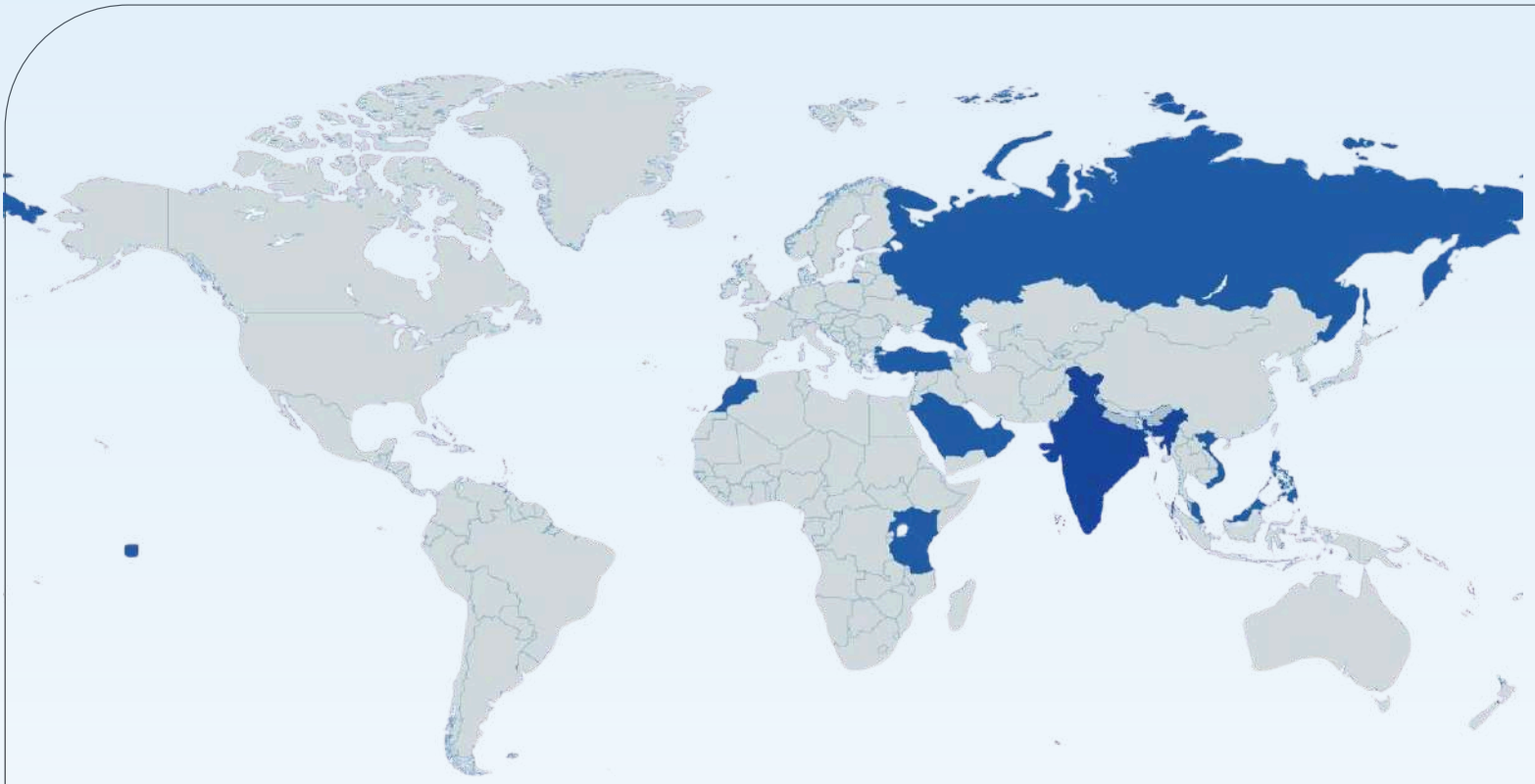
- Acquired leasehold land (Plot Nos. 33-B/1/1/ & 33-B/1/1/Part, MIDC, Hingna, Sonegaon District, Nagpur, Maharashtra) for the Proposed Facility
- Listed on NSE and BSE through successful IPO



SOURCES company website

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OUR PRESENCE



A Suite of Marquee Clientele

ADITYA BIRLA GROUP · NTPC · LARSEN & TOUBRO · BHEL · adani · UltraTech CEMENT The Engineer's Choice · Shree Cement

JSW Steel · SMS group · Metso · HUMBOLDT WEDAG · SAIL · DANIELI · DANIELI CORUS

Metso:Outotec · JINDAL STEEL & POWER · Dalmia Bharat · TATA STEEL · vedanta transforming for good

SHREE RENUKA SUGARS · HOLCIM · GEBR. PFEIFFER · SKYROOT AEROSPACE · Howden · HNG · Balrampur Chini Mills Limited

LOESCHE · FLSmidth · EAGLE CEMENT · Piramal Glass · LNV TECH · AM/NS INDIA

SOURCES company website

KEY BUSINESS ACTIVITIES

- The operational architecture of Diffusion Engineers is characterized by a sophisticated, closed-loop engineering ecosystem divided into four highly synergistic, margin-accretive business verticals. This diversified portfolio allows the company to capture value at every stage of the industrial asset lifecycle, from the initial supply of raw consumables to the fabrication of massive capital equipment and subsequent post-commissioning maintenance.
- The first foundational pillar is the Welding and Anti-Wear Consumables segment. This division involves the highly technical manufacturing of special-purpose welding electrodes and advanced flux-cored wires. A welding electrode, in this context, is a highly engineered, coated metal wire that conducts electrical current to generate an arc, melting the base metal to form an exceptionally strong joint. More sophisticated are the flux-cored wires—continuously fed, tubular electrodes filled with a precise proprietary mixture of minerals, granulated fluxes, deoxidizers, and alloying elements like chromium, molybdenum, and nickel. When subjected to the extreme heat of an electric arc, the internal flux melts, generating a protective shielding gas and slag layer that insulates the molten weld pool from atmospheric contamination. This segment also encompasses the production of cold repair compounds based on complex polymer chemistry and ceramic composites, providing critical anti-corrosive, electrical insulation, and structural maintenance coatings that withstand severe industrial wear and tear without the application of thermal stress.
- The second critical vertical is the Wear Plates and Wear Parts segment. Leveraging the metallurgical capabilities developed in the consumables division, the company engages in deep forward integration. Diffusion Engineers utilizes its own proprietary flux-cored wires in an automated open-arc welding process to overlay high-hardness, wear-resistant alloys onto standard steel plates. These resulting wear plates serve as an impenetrable armor for industrial equipment, protecting critical surfaces from extreme abrasion, impact, and high-temperature degradation. The company further machines and fabricates these plates, along with specialized forgings and castings, to manufacture highly customized, ready-to-fit wear parts. This provides clients with immediate, plug-and-play solutions that drastically minimize the downtime associated with equipment replacement, thereby optimizing the total cost of ownership for operators in the cement, mining, and steel sectors.

SOURCES company website

- The third and most capital-intensive vertical is Heavy Engineering Equipment. Operating out of expansive, state-of-the-art facilities in Nagpur, this division specializes in the precision fabrication, hard-facing, and assembly of massive custom-built machinery required by core industrial sectors. The capabilities demonstrated in this segment represent a significant economic moat, as few competitors possess the infrastructure to manipulate and machine such enormous components. The company routinely manufactures critical, high-tonnage equipment including High-Pressure Grinding Rolls (HPGRs), monumental hammer crusher assemblies, rotary air preheaters, immense impeller fans, and heavy-duty material hoppers for blast furnaces. The execution of these turnkey engineering projects demands meticulous planning, profound metallurgical understanding, and advanced Computer Numerical Control (CNC) machining capabilities.
- The fourth operational pillar is the Industrial Services and Job Work division, which brings the company's engineering prowess directly to the client's operational site. Diffusion Engineers is a recognized pioneer in in-situ, offline, and emergency breakdown reconditioning. This service involves the deployment of rapid-response engineering teams to client facilities to conduct critical repairs on heavily degraded components such as vertical roller mill (VRM) tyres, roller press rolls, crusher rotors, and locomotive wheels. The company also offers highly specialized kiln consultancy and fabrication services, utilizing advanced optoelectronic alignment systems and in-situ machining to correct the skew and alignment of massive rotary kilns. By intervening before catastrophic equipment failure occurs, these services extend the operational life of critical components, reduce energy losses, and provide clients with immense capital expenditure savings.



SOURCES company website

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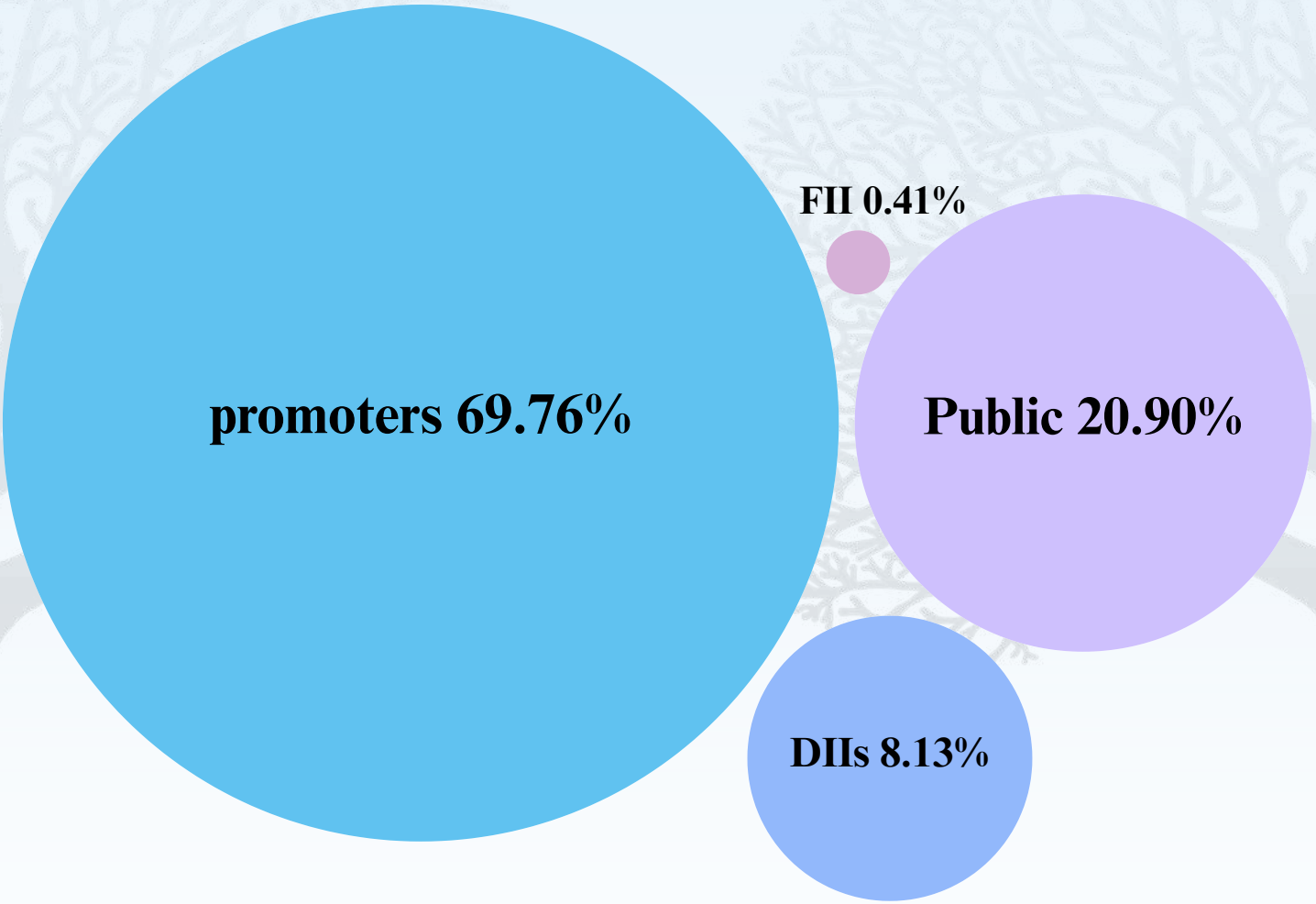
COMPANY DATA

Metric	Value
Market Capitalization	₹1,316 Cr
Current Market Price	₹352
52-Week High	₹418
52-Week Low	₹217
Stock P/E (TTM)	25.9
Price to Book (P/B)	3.26
Book Value Per Share	₹108
Dividend Yield	0.42%
Face Value	₹10
ROCE (FY2025 Annual)	16.40%
ROE (FY2025 Annual)	13.10%
Return on Assets (ROA)	7.50%
Sales / Total Income (FY2025)	₹335 Cr
Profit After Tax (FY2025)	₹50.4 Cr
Sales Growth (4-Year CAGR)	16.80%
Profit Growth (4-Year CAGR)	34.70%
PEG Ratio	0.78

SOURCES screener.in

SHAREHOLDING PATTERN

AS ON DATA Mar 2026



SOURCES screener.in

HIGHLIGHTS FROM THE MANAGEMENT COMMENTARY

- The management commentary, spearheaded by Chairman and Managing Director Mr. Prashant Garg and Chief Executive Officer Mr. Ramesh Kumar Narasinghbhan, projects an aura of profound confidence regarding the company's execution capabilities and future growth vectors. Addressing stakeholders, the management characterized FY26 as a definitive, execution-led period for Diffusion Engineers, marked by unprecedented revenue expansion, improved margin profiles, and continuous market penetration across core industrial segments. The leadership emphasized that the company significantly benefited from sustained, robust demand originating from the steel, mining, cement, railways, and power sectors. In these industries, the absolute necessity for asset life enhancement solutions, scheduled maintenance, and breakdown repair has gained massive relevance as operators seek to maximize plant uptime in a highly competitive macroeconomic environment.
- A pivotal highlight of the commentary was the extraordinary strengthening of the company's order book. Management announced that the total order pipeline surged to a record INR 1,994.82 million by April 30, 2026, up exponentially from INR 1,032.09 million in the preceding year. This diversified and robust order position provides management with immense revenue visibility for the upcoming fiscal quarters. The leadership was quick to point out that this momentum is deeply rooted in strong customer confidence in the company's bespoke engineering capabilities and the unrivaled reliability of its broad product portfolio.
- Operationally, the management underscored their success in maintaining stable profitability despite the inherently volatile nature of global raw material costs. By enforcing disciplined cost management, optimizing operational efficiencies through a structured 5S implementation program, and strategically shifting the product mix toward high-margin engineered equipment, the company successfully defended its EBITDA margins at approximately 14%. Furthermore, the management explicitly guided for a highly optimistic medium-to-long-term outlook. Driven by a national surge in industrial capex, heightened demand for asset refurbishment, and vast import substitution opportunities, the executive team expects revenue to consistently grow by more than 20% annually, heavily supported by the impending commercialization of massive new manufacturing capacities.

CHALLENGES / RISKS

- Operating within the heavy engineering and industrial consumables matrix inherently exposes Diffusion Engineers to a specific set of complex operational and macroeconomic challenges. The most prominent risk factor is the company's susceptibility to severe volatility in raw material pricing. The formulation of high-performance flux-cored wires and wear plates requires substantial quantities of specialized inputs, including nickel, chromium, powdered metals, ferro alloys, and high-grade steel plates. These commodities are traded on global exchanges and are highly sensitive to geopolitical tensions, supply chain disruptions, and currency fluctuations. While the company actively attempts to mitigate these impacts by instituting price-variation clauses within its long-term corporate contracts, sudden and sharp spikes in raw material costs can temporarily compress gross margins before pricing adjustments can be fully passed on to the end consumer.
- Another significant challenge is the acute working capital intensity mandated by the company's business model. To insulate operations against international supply chain fragility and port congestions, the company is forced to maintain elevated strategic safety stocks of critical alloys, thereby lengthening inventory holding periods to approximately 87 days. Concurrently, the company engages with massive Original Equipment Manufacturers (OEMs), defense establishments, and Public Sector Undertakings (PSUs). These monolithic entities possess overwhelming bargaining power and routinely dictate highly extended payment terms, pushing trade receivable days well beyond the 100-day threshold. This structural reality demands that the company perpetually manage substantial cash reserves to fund daily operations without resorting to punitive short-term debt.
- Furthermore, the enterprise faces relentless competitive pressure, particularly regarding commoditized welding electrodes. The Indian market is frequently inundated with low-cost, inferior-quality imports from East Asian manufacturers seeking to dump excess capacity. To defend against this margin erosion, Diffusion Engineers is compelled to constantly innovate and move its product portfolio upmarket, focusing on proprietary, high-performance alloys and integrated lifecycle services where price sensitivity is superseded by the demand for absolute operational reliability. Finally, an increasing quantum of Capital Work in Progress (CWIP)—representing massive ongoing investments in the new Nimji and Unit V facilities—introduces a degree of execution risk; any unexpected delays in commissioning these plants could defer revenue realization and inflate long-term capital costs.

SOURCES company Annual report

STRATEGIC & OPERATIONAL COMMENTARY

- The strategic and operational philosophy of Diffusion Engineers is built entirely upon the concept of vertical integration and technological supremacy. The company's operational blueprint is anchored by a rigorous forward-integration strategy that transforms basic raw materials into highly complex, turnkey engineering solutions. The core advantage of this closed-loop manufacturing ecosystem is the profound level of quality control it affords the enterprise. By developing proprietary alloy compositions in-house and utilizing its own specially formulated flux-cored wires to manufacture wear plates, the company dramatically reduces its reliance on inconsistent third-party suppliers. This self-sufficiency not only insulates the company from external supply shocks but also drives down aggregate production costs, thereby establishing a sustainable, long-term competitive advantage in the pricing of its final heavy engineering products.
- Technological leadership is actively nurtured through substantial investments in the company’s dedicated Research and Development (R&D) infrastructure. Diffusion Engineers operates an advanced R&D facility in Nagpur, officially recognized and approved by the Department of Scientific and Industrial Research (DSIR). This innovation hub is augmented by an elite materials testing laboratory that holds the rigorous ISO/IEC 17025:2017 accreditation from the National Accreditation Board for Testing and Calibration Laboratories (NABL). The operational integration of this laboratory ensures that every production batch is subjected to extreme validation parameters. The company employs highly sophisticated dual-path abrasion testing mechanisms, utilizing Dry-Sand Rubber-Wheel rigs to simulate low-stress sliding wear, and advanced Air-Jet apparatuses to replicate high-velocity particle erosion. This empirical, data-driven approach allows the metallurgical team to continuously refine chemical compositions, resulting in products that deliver demonstrably lower wear rates in real-world environments.
- Operationally, the company has also embraced modern manufacturing disciplines, initiating a comprehensive 5S implementation program across all major production units. This strategic initiative has yielded immediate and measurable improvements in spatial utilization, material handling efficiency, and overall workplace safety, fundamentally fostering a corporate culture rooted in operational discipline and continuous, marginal improvement.

SOURCES company Annual report

INDUSTRY OVERVIEW

- The macroeconomic and industry-specific tailwinds propelling Diffusion Engineers represent a generational super-cycle in capital expenditure and infrastructure development. At a global level, the demand for advanced welding consumables and industrial wear protection is experiencing sustained, structural growth. The global welding consumables market, valued at approximately USD 17.70 billion in 2024, is projected to expand at a steady Compound Annual Growth Rate (CAGR) of **4.49%**, targeting USD 26.30 billion by the year 2033. This growth is heavily concentrated in the Asia-Pacific region, which currently dictates approximately 41% of global consumption due to aggressive industrialization policies and the expansion of the regional automotive, shipbuilding, and energy sectors. Within India, the growth trajectory is even steeper. The Indian welding consumables market is forecasted to scale from USD 1.25 billion in 2024 to USD 2.10 billion by 2033, expanding at a robust 6% CAGR.
- The market dynamics for wear plates and heavy engineering equipment exhibit an even more explosive growth pattern. The global wear plate market is anticipated to surge from USD 31.5 billion in 2024 to an estimated USD 46.6 billion by 2034, registering an impressive 8.8% CAGR over the decade. Similarly, the Indian domestic market for wear plates is expected to reach USD 6.8 billion by 2033, growing at a 5% CAGR. This massive demand is intricately linked to the health of core primary industries such as power generation, steel manufacturing, cement production, and mineral quarrying, where wear plates are absolutely essential to protect the structural integrity of vital operating components.
- Concurrently, the heavy engineering capital goods industry in India is undergoing a monumental expansion, projected to grow at a **5.5%** CAGR from USD 180 billion to a staggering USD 300 billion. This explosive growth is underwritten by the Indian government's unprecedented commitment to infrastructure development, evidenced by massive budgetary allocations targeting roads, urban transport, railways, and energy transition projects. Transformative national policies, such as the 'Make in India' and 'Atmanirbhar Bharat' (Self-Reliant India) initiatives, combined with lucrative Production Linked Incentive (PLI) schemes, have created a highly fertile environment for domestic manufacturing. As industrial operators expand their capacities to meet this national demand, the mechanical fatigue on their capital equipment increases exponentially. This reality ensures a perpetual, inelastic demand for the superconditioning solutions, wear parts, and heavy engineering fabrication services provided by Diffusion Engineers.

SOURCES company website

COMMITMENT TO OUR FUTURE

- Diffusion Engineers views corporate sustainability and social responsibility not as secondary obligations, but as integral components of its long-term strategic viability. The company's commitment to the future is demonstrated through actionable investments in environmental stewardship, employee welfare, and localized community development. Recognizing the severe energy intensity of heavy metallurgical operations and the necessity to hedge against grid tariff escalations, the company has undertaken a major environmental initiative by investing in a massive 1.1 Megawatt **(MW)** captive rooftop solar power plant at its flagship Nimji facility. This strategic deployment of renewable energy infrastructure drastically reduces the corporate carbon footprint while simultaneously insulating production costs from volatile fossil fuel pricing.
- The company's commitment to human capital is equally profound. Diffusion Engineers has been officially certified as a **"Great Place to Work"** in India for three consecutive years, an accolade considered the global gold standard for assessing corporate culture, employee trust, and organizational inclusivity. By maintaining a safe, zero-tolerance environment against workplace harassment and providing continuous professional development opportunities—including sponsoring senior management for advanced programs at the Indian Institutes of Management **(IIM)**—the company ensures the retention of elite engineering talent.
- Furthermore, the corporate social responsibility **(CSR)** initiatives executed by the company drive tangible, life-altering impacts within the surrounding communities. During the financial year **2024-25,** the company deployed substantial capital toward critical interventions. In the realm of healthcare, Diffusion Engineers sponsored life-saving pediatric open-heart surgeries for underprivileged children in association with the Rotary Club of Nagpur Vision and the Swami Vivekanand Medical Mission. Addressing fundamental humanitarian needs, the company provided significant financial support to The Annamitra Foundation, an organization dedicated to eliminating classroom hunger by operating extensive mid-day meal programs for thousands of students across 110 schools in the region. The company also actively promotes youth development and athletic excellence by funding multi-purpose school playgrounds, donating extensive sports equipment to rural institutions, and providing financial grants to the Inspire Institute of Sport to aid in the elite training of Olympic and Paralympic athletes.

SOURCES company website

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SWOT ANALYSIS

A comprehensive, multi-dimensional evaluation of the internal capabilities and external environments surrounding Diffusion Engineers reveals a highly asymmetric corporate profile, where structural advantages vastly outweigh inherent vulnerabilities.

Strengths

- The paramount strength of Diffusion Engineers is its deeply entrenched, closed-loop engineering model and extreme forward integration. By exercising total control over the metallurgical value chain—from the inception of proprietary alloy formulas to the final CNC machining of massive industrial equipment—the company enforces peerless quality control, eradicates supply chain bottlenecks, and captures maximum margin across every stage of the manufacturing process. Furthermore, a four-decade legacy of execution excellence has allowed the company to cultivate an impregnable portfolio of long-standing relationships with over 500 marquee global clients across the cement, steel, and power sectors. This exceptional brand equity results in a highly predictable revenue base, wherein more than 80% of business is derived from recurring, repeat customers. Financially, the company operates from a position of absolute strength; it possesses an almost entirely debt-free balance sheet, immense cash reserves generated post-IPO, and a proven track record of compounding profits at roughly 35% CAGR over the past five years. The unwavering conviction of the promoters, who maintain a dominant 69.76% unpledged equity stake, ensures that executive decision-making is perfectly aligned with long-term shareholder value creation.

Weaknesses

- The primary internal vulnerability facing the enterprise is the extreme working capital intensity dictated by the heavy engineering and capital goods sector. The company is subjected to a structurally elongated cash conversion cycle. To mitigate the risks of international supply chain fragmentation, the company is required to hold massive, capital-intensive safety stocks of imported specialty alloys, driving inventory days to elevated levels. Simultaneously, by servicing massive Original Equipment Manufacturers (OEMs) and Public Sector Undertakings (PSUs), the company must navigate prolonged trade receivable cycles, as these monolithic clients leverage their market dominance to dictate extended payment terms. Additionally, an increasing accumulation of Capital Work in Progress (CWIP) introduces execution risk; any logistical or regulatory delays in fully commissioning the expansive new manufacturing facilities at Nimji and Unit V could temporarily depress return ratios and defer expected revenue pipelines.

SOURCES deep research

Opportunities

- The macro-industrial landscape offers Diffusion Engineers an unprecedented runway for exponential growth. The Indian government's massive capital expenditure super-cycle, targeting the modernization of national infrastructure, ensures a perpetual and escalating demand for the heavy engineering and asset life enhancement solutions that DEL provides. A monumental opportunity lies in the company's strategic diversification into the aerospace and defense sectors. Facilitated by its investment in Tejorup Sunmay Systems Private Limited, the company is poised to participate in the highly lucrative manufacturing and integration of advanced Very Short-Range Air Defence (VSHORAD) systems, granting access to non-cyclical, high-margin government defense budgets. Internationally, the impending operationalization of the wholly-owned UAE subsidiary in Abu Dhabi will serve as a strategic beachhead, allowing the company to aggressively capture market share in the massive Middle Eastern petrochemical and desalination sectors by offering highly localized, rapid-response maintenance services.

Threats

- The most severe external threat stems from relentless, borderless competition and aggressive pricing pressures, particularly in the lower-tier welding consumables segment. The market is continuously threatened by the influx of heavily subsidized, low-cost electrodes and generic wires from East Asian manufacturers seeking to dump excess industrial capacity. To combat this, the company must constantly innovate and migrate its clientele toward proprietary, high-performance superconditioning solutions. Furthermore, despite strategic diversification efforts, the company's financial fortunes remain intricately correlated with the global macroeconomic health of the highly cyclical cement, steel, and mining industries. Any protracted global economic recession, sudden regulatory crackdowns on mining operations, or a severe deceleration in sovereign infrastructure spending could precipitate an immediate contraction in end-market demand, resulting in delayed order executions and depressed capacity utilization rates.

SOURCES company Annual report

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MANAGEMENT DETAILS



Mr. PRASHANT GARG
Chairman & Managing Director



Dr. NITIN GARG
Non-Executive Director



Mrs. CHITRA GARG
Non-Executive Director



Ms. DEEPALI BENDRE
Independent Director



Mr. ANIL TRIGUNAYAT
Independent Director



Mr. SHERRY OOMMEN
Independent Director

SOURCES company website

FUTURE PROJECTS & STRATEGIC

- Diffusion Engineers is currently orchestrating a highly aggressive, multi-pronged capital expenditure program designed to fundamentally transform the scale and scope of its operational capabilities. The core objective of this strategic roadmap is to systematically double the company's aggregate production capacity across its three primary business verticals: Heavy Engineering, Wear Parts & Plates, and Welding Consumables.
- To realize this ambitious target, the company is executing two massive infrastructure developments. The first is a sweeping expansion of its flagship Nimji facility, which will massively augment the factory's capacity to fabricate high-tonnage heavy engineering equipment and specialized wear parts. This expansion is supported by the procurement and installation of state-of-the-art, heavy-duty machinery, including advanced Computer Numerical Control (CNC) Horizontal Boring Machines, massive 6.5-meter swing Vertical Lathe Machines, and sophisticated wire-drawing lines. The second major infrastructural project is the greenfield development of a brand-new manufacturing complex located at Plot 33-B, MIDC Hingna (Unit V). This dedicated facility will focus exclusively on the high-volume, automated production of special-purpose welding electrodes and critical wire strips.
- Beyond domestic borders, the company is executing a bold strategy to internationalize its service delivery architecture. Diffusion Engineers is in the advanced stages of incorporating a wholly-owned subsidiary in the United Arab Emirates, designated as "Diffusion Engineers Middle East". This strategic initiative involves the establishment of a localized manufacturing and specialized welding service facility in Abu Dhabi. By positioning physical assets directly within the Gulf Cooperation Council (GCC) region, the company aims to drastically reduce logistical turnaround times, thereby securing highly lucrative maintenance and light fabrication contracts from Middle Eastern petroleum, cement, and infrastructure conglomerates. Furthermore, to align employee retention with long-term corporate value creation, the management is instituting the comprehensive ‘Diffusion Engineers Limited – Employee Stock Option Scheme 2025’ (ESOP 2025), administered through an irrevocable employee welfare trust, to attract and incentivize elite engineering and executive talent for the next phase of exponential growth.

SOURCES company website

KEY RECENT DEVELOPMENTS

- The recent operational history of Diffusion Engineers is defined by a series of monumental project executions and strategic business acquisitions that emphatically validate the company's supreme engineering capabilities. A highly notable international triumph involved the complex manufacturing and export of a massive rotor assembly for a prominent Russian client. This engineering marvel was fabricated as a single cohesive unit within the Nagpur plant, carefully disassembled into three transportable sections for intercontinental shipping, and subsequently reassembled by the client on-site in Russia under punishing environmental conditions of -20°C. The flawless post-commissioning performance of this rotor firmly established DEL's reputation for delivering uncompromised dimensional integrity and operational reliability in extreme global environments.
- In the domestic cement sector, the company executed an incredibly complex, turnkey engineering mandate involving the total replacement of an 18.6-meter rotary kiln shell. The exhaustive scope of work encompassed meticulous mechanical engineering, the supply of the massive new shell and tyre, the highly dangerous removal of the degraded section, and the flawless re-installation and optoelectronic alignment of the new unit. Accomplishing this scale of intervention within a highly compressed 30-day timeframe is an exceedingly rare feat for any firm outside the Original Equipment Manufacturer's (OEM) purview in India, underscoring DEL's unrivaled execution velocity.
- Strategically, the company has aggressively expanded its order book, securing numerous high-value domestic contracts in quick succession. Recent acquisitions include a prestigious INR 10.63 crore order for the supply of roller assemblies and shaft retrofitting, an INR 8.16 crore mandate for the supply and maintenance of Roller Press Rolls for the cement industry, and an INR 9.88 crore contract for Vertical Roller Mill and Separator parts. Perhaps the most transformative recent development is the company's strategic financial investment in Tejorup Sunmay Systems Private Limited. This calculated maneuver officially initiates Diffusion Engineers' foray into the highly lucrative defense sector, specifically targeting the indigenous manufacturing and integration of advanced Very Short-Range Air Defence (VSHORAD) systems. This bold diversification is further cemented by the acquisition of specialized flux-cored wire supply orders directly from the governmental Heavy Vehicle Factory, definitively proving the strategic utility of DEL's proprietary alloys in matters of national defense.

SOURCES google gemini deep research

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PROFIT & LOSS (₹ Crores)

Particulars	Mar 2023	Mar 2024	Mar 2025	Mar 2026
Sales (Revenue)	255	278	335	407
Expenses	226	239	290	349
Operating Profit	29	39	45	57
OPM %	11%	14%	13%	14%
Other Income	6	9	9	17
Interest	2	2	2	2
Depreciation	4	5	5	7
Profit Before Tax	29	41	47	65
Tax %	23%	25%	23%	22%
Net Profit	22	31	36	50
EPS (₹)	59.29	10.94	9.59	13.45
Dividend Payout %	7%	5%	16%	11%

SOURCES screener.in

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QUARTERLY FINANCIALS (₹ CRORES)

Particulars	Sep 2025	Dec 2025	Mar 2026	TTM
Sales (Revenue)	84	101	142	408
Expenses	72	87	121	350
Operating Profit	12	14	21	58
OPM %	14%	13%	15%	14.20%
Other Income	3	5	3	18
Interest	1	1	1	3
Depreciation	2	2	2	8
Profit Before Tax	13	16	21	66
Tax %	20%	24%	24%	22.30%
Net Profit	10	12	16	50
EPS (₹)	2.7	3.22	4.27	13.45

SOURCES screener.in

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BALANCE SHEET (in ₹ Crores)

Particulars	Mar 2024	Mar 2025	Mar 2026
Equity Capital	28	37	37
Reserves	163	331	368
Borrowings	34	23	29
Other Liabilities	50	52	77
Total Liabilities	**276**	**444**	**510**
Fixed Assets	91	98	110
CWIP (Capital Work In Progress)	1	3	23
Investments	29	35	43
Other Assets	154	309	334
Total Assets	**276**	**444**	**510**

SOURCES screener.in

TECHNICAL ANALYSIS



- **Price Action, Trend Analysis, & Core Indicators**

1. Current Market Position & Price Action

- Recent Trading Range: The stock has recently been trading in the ₹398 to ₹425 zone, showing significant price contraction after experiencing recent highs.
- Short-Term Correction: The stock is currently undergoing a short-term corrective phase, as evidenced by a recent daily drop of nearly 9.6% (falling toward the ₹398 level), signaling immediate bearish pressure.
- Overall Trend Structure: While the medium-to-long-term structure remains relatively stable (supported by longer-term moving averages), the short-term price action is characterized by lower highs and lower lows on the daily timeframe.

2. Moving Averages (MA) Breakdown

- Short-Term MAs (Bearish): The stock is trading below its 5-day EMA (₹388.88), 10-day EMA (₹390.93), and 20-day EMA (₹390.45). This clustering of short-term moving averages above the current price acts as immediate dynamic resistance and confirms the short-term bearish trend.
- Medium-Term MAs (Neutral to Bullish): The 50-day EMA sits around ₹372.11. Because the price has historically hovered above this level, it serves as a critical medium-term support line. A sustained break below this MA could trigger a deeper sell-off.
- Long-Term MAs (Bullish Anchor): The 100-day EMA (₹348.27) and 200-day EMA (₹339.75) remain in a bullish posture, indicating that despite short-term turbulence, the broader macroeconomic trend for the stock hasn't fully reversed into a bear market.

3. Momentum & Oscillator Indicators

- Relative Strength Index (RSI 14-Day): Currently reading between 43.30 and 46.57. This places the RSI in neutral-to-bearish territory. It is not yet in the "oversold" zone (below 30), meaning there is still potential room for downward movement before bargain hunters step in.
- MACD (Moving Average Convergence Divergence): The MACD line is situated at -1.74 to -2.98. This negative value, combined with the signal line crossover, is a textbook Bearish/Sell signal, indicating that downward momentum is currently accelerating.

SOURCES deep research



4 Support and Resistance Matrix (Pivot Points)

- Central Pivot Point: ₹382.57. This is the immediate line in the sand. Trading below this pivot reinforces the bearish sentiment for intraday and swing traders.
- Immediate Resistance Zones (Upside Targets):
- Resistance 1 (R1): ₹386.39 (Aligns closely with the 5-day EMA, making it a tough ceiling to break).
- Resistance 2 (R2): ₹392.22 (Aligns with the 10-day and 20-day EMAs).
- Resistance 3 (R3): ₹396.04 (A breakout above this level is required to invalidate the current bearish trend).
- Critical Support Zones (Downside Targets):
- Support 1 (S1): ₹376.74 (Initial floor for minor pullbacks).
- Support 2 (S2): ₹372.92 (Highly critical, as it aligns perfectly with the 50-day EMA of ₹372.11. If this breaks, expect heavy selling).
- Support 3 (S3): ₹367.09 (Deep correction target).

5. Trend Strength & Volatility

- ADX (Average Directional Index): Sitting around 30.43 to 42.45. An ADX above 25 indicates a strong, active trend. Given the price action, this confirms that the current downward/corrective trend is strong and not just sideways consolidation.
- ATR (Average True Range): Currently at 16.04, indicating moderate-to-low daily volatility. The stock is making steady, deliberate moves rather than experiencing wild, erratic intraday price swings.
- Rate of Change (ROC): Negative (-3.06), further confirming that the speed of the price decline is currently accelerating.

SOURCES deep research

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