RATING ACCUMULATE | CMP INR 410 | TP INR 462

PL Capital PRABHUDAS LILLADHER

Harsha Engineers International (HARSHA IN)

Q1FY27 Result Update

August 12, 2026

☑ Estimate Change | ☑ Target | ☑ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		Hold	
Target Price	462		461	
Sales (INR mn)	18,537	21,201	18,494	21,091
% Chng.	*0.2*	*0.5*		
EBITDA (INR mn)	2,856	3,305	2,847	3,297
% Chng.	*0.3*	*0.2*		
EPS (INR)	19.8	23.1	19.8	23.1
% Chng.	-	-		

Key Data HRSH.BO | HARSHA IN

BSE Code	543600
NSE Code	HARSHA
52-W High / Low	INR 469 / INR 311
Face Value	10
Sensex / Nifty	78,154 / 24,472
Market Cap	INR 37 bn / $ 392 mn
Shares Outstanding	91.04 mn
3M Avg. Daily Value	INR 88.77 mn

Shareholding Pattern (%)

Promoters	75
FIIs	1.79
Mutual Funds	12.91
Domestic Institutions	0.12
Public and Others	10.19
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(4.0)	(0.1)	6.4	(0.9)
Relative	(4.8)	(2.8)	14.7	2.3

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	14,077	16,268	18,537	21,201
EBITDA (INR mn)	1,749	2,456	2,856	3,305
Margin (%)	*12.4*	*15.1*	*15.4*	*15.6*
PAT (INR mn)	1,170	1,612	1,806	2,102
EV (INR mn)	36,191	38,180	37,414	36,306
Total Debt (INR mn)	2,005	3,722	3,722	3,722
C&C Eq. (INR mn)	762	450	877	1,285
EPS (INR)	12.8	17.7	19.8	23.1
Gr. (%)	*5.0*	*37.8*	*12.0*	*16.4*
DPS (INR)	1.0	1.0	2.0	2.3
Yield (%)	*0.2*	*0.2*	*0.5*	*0.6*
RoE (%)	*9.6*	*12.1*	*12.2*	*12.7*
RoCE (%)	*10.4*	*13.2*	*13.4*	*14.3*
EV/Sales (x)	2.6	2.3	2.0	1.7
EV/EBITDA (x)	20.7	15.5	13.1	11.0
PE (x)	31.9	23.2	20.7	17.8
P/BV (x)	3.0	2.7	2.4	2.1

Decent Q1; Overseas recovery key to watch

Quick Pointers

- India Engineering domestic/export mix stood at 55%/45% (vs 56%/44% YoY).
- Management expects ~12% consolidated revenue growth in FY27, with India Engineering growth of ~15%, supported by healthy demand across core products and exports.

Harsha Engineers International (HARSHA) reported a decent Q1FY27 performance, with consolidated revenue growing 25% YoY, led by robust India Engineering growth and broad-based industrial demand. Management expects India Engineering to grow ~15%YoY and consolidated revenue by ~12% YoY in FY27, with sustainable margins of 20–22%. Raw-material inflation and ramp-up costs impacted margins, though pass-through is expected to support recovery. Cages remained a key growth driver, while bushings and stampings grew 35% and 31% YoY, respectively, with ~30% growth targeted for FY27. Large-size cages offer further growth potential, with management targeting ~50% growth. Japanese customer sales grew 25% YoY, though FY27 growth is expected at ~10% given longer conversion cycles. Advantek remains in ramp-up mode, targeting Rs1.4bn revenue and breakeven by FY27-end. China remains profitable with ~10% growth expected, while Romania continues to weigh on profitability despite ongoing mix and cost-improvement initiatives. Solar EPC is expected to deliver ~Rs2bn revenue at 7–8% EBITDA margin. Overall, strong demand across cages, bushings, stampings and exports, alongside capacity expansion, supports medium-term growth, although raw-material volatility, ramp-up costs and overseas losses remain key monitorables. The stock is currently trading at a P/E of 20.7x/17.8x on FY27/28E earnings. We upgrade our rating from 'HOLD' to 'Accumulate' given recent correction in the stock price with a revised TP of INR461 (same as earlier earlier), valuing the company at a PE of 20x Mar'28E (same as earlier).

Despite the momentary revival in Romania, we remain watchful on the subsidiary performance and the export demand which may impact mid-term consolidated financial performance of the company however, HARSHA's long term outlook remains positive given its 1) market leadership in bearing cages, 2) greenfield capacity expansion, and 3) multiple levers for growth viz. i) bearing cage outsourcing, ii) capex by global bearing players in India and iii) growing demand for bronze bushings.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	*% Var.*	Q1'26A	*YoY gr. (%)*
Net Sales (INR mn)	4,138	4,574	*11.0*	3,653	*25.0*
EBITDA (INR mn)	654	675	*3.0*	554	*22.0*
Margin (%)	*15.8*	*14.7*	(110) bps	*15.2*	(50) bps
PAT (INR mn)	444	374	*(16.0)*	379	*(1.0)*

Source: Company, PL

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Revenue growth was driven by broad based demand: Consolidated revenue increased by 25.2% YoY to Rs4.5bn (Ple: Rs4.1bn) driven by domestic demand trend as well as improving demand for industrials in Europe and ROW. Consolidated Engineering revenue rose 20.7% YoY to Rs4.2bn driven by increased in Engineering India revenue by 20.9% YoY to Rs3.1bn and Solar EPC revenue increased by 121% YoY to Rs364mn. Gross margin contracted by 134bps YoY to 47.5% (PLe: 49.1%). EBITDA increased by 21.7% YoY to Rs675mn (PLe: Rs654mn) with EBITDA margin contracted by 43bps YoY to 14.7% (Ple: 15.8%) due to lower gross margin. Indian Engineering EBITDA impacted by higher RM cost (6-8%), forex loss (Rs40mn) and higher indirect cost (Rs 30mn). Consolidated Engineering Opg. EBITDA margin contracted to 15.4% (vs 15.8% in Q1FY26). Solar EPC Opg. EBITDA margin increased to 6.6% (2.5% in Q1FY26). Adj. PBT remain flattish YoY to Rs530mn (PLe: Rs594mn) due to decline in other income (-52.2% YoY to Rs51mn). Adj. PAT came in at Rs374mn (-1.5% YoY) (PLe: Rs444mn) due to higher effective rate (+97bps YoY to 29.5%).

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	*YoY gr.*	Q2FY27E	*YoY gr.*	Q3FY27E	*YoY gr.*	Q4FY27E	*YoY gr.*
Sales	4,574	*25.2%*	4,191	*10.8%*	4,663	*13.9%*	5,109	*7.8%*
EBITDA	675	*21.7%*	557	*4.2%*	769	*21.6%*	854	*16.4%*
Margin (%)	*14.7*	*(42.9)*	*13.3*	*(84.3)*	*16.5*	*103.8*	*16.7*	*123.0*
Adj. PAT	374	*-2%*	351	*-4%*	499	*32%*	582	*23%*

Source: Company, PL

Exhibit 2: Revenue increased by 25% YoY while EBITDA margin contracted by 43bps to 14.7%

INR mn	Q1FY27	Q1FY26	*YoY gr.*	Q1FY27E	*% Var.*	Q4FY26	*QoQ gr.*	FY27E	FY26	*YoY gr.*
Revenue	**4,574**	**3,653**	***25.2%***	**4,138**	***10.6%***	**4,739**	***-3.5%***	**18,537**	**16,268**	***13.9%***
Gross Profit	2,174	1,785	*21.8%*	2,032	*7.0%*	2,157	*0.8%*	8,936	7,778	*14.9%*
Margin (%)	*47.5*	*48.9*	*(134)*	*49.1*	*(158.0)*	*45.5*	*200*	*48.2*	*47.8*	*39*
Employee Cost	592	507	*16.7%*	559	*5.9%*	537	*10.1%*	2,410	2,090	*15.3%*
as % of sales	*12.9*	*13.9*	*(95)*	*13.5*	*(56.9)*	*11.3*	*159*	*13.0*	*12.8*	*15*
Other expenditure	908	720	*26.0%*	819	*10.8%*	887	*2.4%*	3,670	3,228	*13.7%*
as % of sales	*19.8*	*19.7*	*12*	*19.8*	*4.3*	*18.7*	*114*	*19.8*	*19.8*	*(4)*
Bad Debts written off	-	3	*-100.0%*	-	*NA*	(1)	*NA*	-	3	*-100.0%*
as % of sales	*-*	*0.1*	*(9)*	*-*	*-*	*(0.0)*	*1*	*-*	*0.0*	*(2)*
EBITDA	**675**	**554**	***21.7%***	**654**	***3.2%***	**734**	***-8.1%***	**2,856**	**2,456**	***16.3%***
Margin (%)	*14.7*	*15.2*	*(43)*	*15.8*	*(105.5)*	*15.5*	*(74)*	*15.4*	*15.1*	*31*
Depreciation	138	105	*30.9%*	140	*-1.6%*	128	*8.0%*	562	467	*20.4%*
EBIT	**537**	**449**	***19.5%***	**514**	***4.5%***	**607**	***-11.5%***	**2,294**	**1,990**	***15.3%***
Margin (%)	*11.7*	*12.3*	*(56)*	*12.4*	*(68.3)*	*12.8*	*(106)*	*12.4*	*12.2*	*14*
Other Income	51	107	*-52.2%*	110	*-53.4%*	105	*-51.3%*	388	385	*0.8%*
Interest	58	26	*126.8%*	30	*94.3%*	58	*0.5%*	208	163	*28.2%*
PBT (ex. Extra-ordinaries)	**530**	**531**	***-0.2%***	**594**	***-10.8%***	**654**	***-19.0%***	**2,473**	**2,212**	***11.8%***
Margin (%)	*11.6*	*14.5*	*(295)*	*14.3*	*(277.0)*	*13.8*	*(222)*	*13.3*	*13.6*	*(26)*
Extraordinary Items	-	-		-	-	-	-	-	(60)	-
PBT	**530**	**531**	***-0.2%***	**594**	***-10.8%***	**654**	***-19.0%***	**2,473**	**2,153**	***14.9%***
Total Tax	156	151	*3.2%*	150	-	182	*-14.0%*	668	601	*11.2%*
Effective Tax Rate (%)	*29.5*	*28.5*	*97*	*25.2*	*-*	*27.8*	*172*	*27.0*	*27.9*	*(90)*
Reported PAT	**374**	**379**	***-1.5%***	**444**	***-15.9%***	**472**	***-20.9%***	**1,806**	**1,552**	***16.3%***
Adj. PAT	**374**	**379**	***-1.5%***	**444**	***-15.9%***	**472**	***-20.9%***	**1,806**	**1,595**	***13.2%***
Margin (%)	*8.2*	*10.4*	*(222)*	*10.7*	*(256.9)*	*10.0*	*(180)*	*9.7*	*9.8*	*(6)*
Adj. EPS	**4.1**	**4.2**	***-1.5%***	**4.9**	***-15.9%***	**5.2**	***-20.9%***	**19.8**	**17.5**	***13.2%***

Source: Company, PL

Exhibit 3: Continued weakness in Romania partly offset improved performance in India & China

Segment Performance (INR mn)	Q1FY27	Q1FY26	YoY gr.	Q1FY27E	% Var.	Q4FY26	QoQ gr.	FY27E	FY26	YoY gr.
Engineering & Others - Consolidated										
Revenue	4,211	3,488	20.7%	3,932	7.1%	3,821	10.2%	16,338	14,436	13.2%
Opg. EBITDA (ex, other income)	650	550	18.2%	617	5.4%	686	-5.2%	2,680	2,350	14.1%
Opg. EBITDA margin (%)	15.4%	15.8%	(32)	15.7%	(25)	18.0%	(251)	16.4%	16.3%	13
PAT	353	373	-5.3%	-	-	427	-17.4%	-	1,451	-100.0%
PAT margin (%)	8.4%	10.7%	(230)	0.0%	838	11.2%	(279)	0.0%	10.1%	(1,005)
Engineering & Others - India										
Revenue	3,100	2,565	20.9%	2,888	7.3%	2,920	6.1%	12,567	10,882	15.5%
Opg. EBITDA (ex, other income)	660	563	17.2%	607	8.8%	711	-7.1%	2,714	2,378	14.1%
Opg. EBITDA margin (%)	21.3%	22.0%	(66)	21.0%	29	24.3%	(304)	21.6%	21.9%	(25)
PAT	393	398	-1.3%	-	-	466	-15.7%	-	1,552	-100.0%
PAT margin (%)	12.7%	15.5%	(284)	0.0%	1,269	16.0%	(328)	0.0%	14.3%	(1,426)
Engineering & Others - Foreign Subsidiaries										
Revenue	1,111	924	20.3%	1,044	6.5%	900	23.4%	3,772	3,554	6.1%
Opg. EBITDA (ex, other income)	(10)	(13)	-26.1%	10	-192.3%	(24)	-60.6%	(34)	(28)	20.8%
Opg. EBITDA margin (%)	-0.9%	-1.4%	54	1.0%	(187)	-2.7%	185	-0.9%	-0.8%	(11)
PAT	(40)	(26)	57.2%	-	-	(39)	2.5%	-	(100)	-100.0%
PAT margin (%)	-3.6%	-2.8%	(85)	0.0%	(364)	-4.4%	74	0.0%	-2.8%	282
Solar-EPC and O&M										
Revenue	364	165	120.8%	206	76.7%	918	-60.4%	2,199	1,832	20.0%
Opg. EBITDA (ex, other income)	24	4	478.6%	14	67.3%	48	-49.8%	172	107	61.0%
Opg. EBITDA margin (%)	6.6%	2.5%	410	7.0%	(37)	5.2%	141	7.8%	5.8%	198
PAT	21	7	213.4%	-	-	45	-53.7%	-	101	-100.0%
PAT margin (%)	5.8%	4.1%	171	0.0%	578	4.9%	83	0.0%	5.5%	(550)

Source: Company, PL

Conference Call Highlights:

Guidance: Management guides India Engineering growth at mid-to-high teens in FY27, with 10%+ growth in the conventional business. Consolidated revenue growth is guided at ~12–15%, with India at 15%+ and China + Romania in low double digits. PAT growth is expected to outpace revenue, aided by operating leverage and lower overseas losses. Sustainable India Engineering EBITDA margin is guided at ~20–22%, although pass-through and ramp-up costs could keep reported margins lower

RM Prices & Margins: Average RM costs rose ~8% in Q1 across steel, brass, zinc and polymers. Most contracts have ~4-month pass-through lags, with recovery expected over the coming quarters. Higher oil, chemicals and packaging costs added ~Rs30mn, while ~Rs40mn FX loss further impacted profitability. Margins should normalise as commodity prices stabilise, although pass-through-linked revenue and ramp-up costs could keep reported margins below sustainable levels.

India Engineering: Demand remained broad-based across industrial and automotive segments, supported by domestic demand, outsourcing opportunities and exports from customers' Indian facilities. Exports stood at ~Rs1.4bn, with healthy demand across Europe, the US and other key markets. Core bearing demand remains healthy, supported by customer growth plans and MNC capacity additions. Japanese customer revenue stood at ~Rs210mn, with FY27 revenue expected at ~Rs800mn vs Rs720mn in FY26; growth remains moderate given the long development and conversion cycle.

Advantek: Q1 revenue stood at ~Rs320mn, with the business in the ramp-up phase. Management targets ~Rs1.4bn+ revenue in FY27 vs ~Rs430mn in FY26 and expects EBITDA positivity by year-end. Margins should improve with scale, reaching the blended India Engineering margin from FY28. Expansion is aimed at supporting new customer orders and advanced product opportunities.

Romania & China: Romania remained loss-making, impacted by weak operating performance and FX, although the cage pipeline remains healthy. Cage contribution is targeted to increase from ~20–25% to ~30–35% to improve mix and profitability, with breakeven potentially from FY28. China remained profitable, with FY27 revenue growth guided at ~10% and EBITDA margins at 12–14%. The brownfield expansion remains on track for Q3FY28 commissioning, with meaningful revenue contribution from FY29. Combined China + Romania losses are targeted at ~Rs20–30mn in FY27 vs ~Rs100mn in FY26, with Q1FY27 loss at ~Rs33mn.

Bushings & Stampings: Bushings revenue stood at ~Rs340mn, driven by conversion opportunities and higher wallet share, with the current opportunity expected to sustain for the next couple of years. The company is developing higher-precision bushings for newer gearbox applications, particularly wind, while expanding capabilities across sizes and geometries. Stampings revenue stood at ~Rs190mn, supported by new products and a strong qualification pipeline. New applications include white goods, compressors, railways, automotive and precision engineering, with aerospace & defence and electric mobility offering medium-term opportunities.

Bearings & Cages: Core bearing demand remains healthy across domestic and international markets, supported by industrial recovery, automotive demand, MNC capacity additions and higher global demand. Major customers include SKF, Schaeffler, Timken and ZF Flender, with the top 10 contributing 80%+ of revenue across 80+ plants globally. Large-size cage revenue was ~Rs100mn in Q1, impacted by slower new-facility ramp-up, while strong demand, order book and pipeline provide significant growth headroom. Low wallet share offers further penetration opportunity, with cage contribution also being increased in Romania and China.

Solar EPC: Q1 revenue stood at ~Rs360mn, with quarterly performance remaining project-driven and Q4 typically stronger. Management remains confident of ~Rs2bn FY27 revenue, with margins expected to remain broadly stable.

Capex & Expansion: Q1FY27 capex stood at ~Rs300mn, with FY27 capex guided at ~Rs500–800mn. Total FY27–28 capex is expected at ~Rs1.8–2bn, including Phase-II expansion in India, China brownfield expansion, and capacity additions in large cages, stampings and machines. Management remains confident of demand visibility for the new capacities.

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**14,077**	**16,268**	**18,537**	**21,201**
YoY gr. (%)	*1.1*	*15.6*	*13.9*	*14.4*
Cost of Goods Sold	7,387	8,490	9,601	10,942
Gross Profit	6,690	7,778	8,936	10,259
Margin (%)	*47.5*	*47.8*	*48.2*	*48.4*
Employee Cost	1,816	2,090	2,410	2,799
Other Expenses	910	781	890	1,039
EBITDA	**1,749**	**2,456**	**2,856**	**3,305**
YoY gr. (%)	*2.1*	*40.4*	*16.3*	*15.7*
Margin (%)	*12.4*	*15.1*	*15.4*	*15.6*
Depreciation and Amortization	405	467	562	611
EBIT	**1,344**	**1,990**	**2,294**	**2,694**
Margin (%)	*9.5*	*12.2*	*12.4*	*12.7*
Net Interest	88	163	208	216
Other Income	377	385	388	405
Profit Before Tax	**1,357**	**2,153**	**2,473**	**2,883**
Margin (%)	*9.6*	*13.2*	*13.3*	*13.6*
Total Tax	464	601	668	781
Effective Tax Rate (%)	*34.2*	*27.9*	*27.0*	*27.1*
Profit After Tax	**893**	**1,552**	**1,806**	**2,102**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**1,170**	**1,612**	**1,806**	**2,102**
YoY gr. (%)	*5.0*	*37.8*	*12.0*	*16.4*
Margin (%)	*8.1*	*9.7*	*9.5*	*9.7*
Extra Ord. Income / (Exp)	(277)	(60)	-	-
Reported PAT	**893**	**1,552**	**1,806**	**2,102**
YoY gr. (%)	*(19.9)*	*73.8*	*16.3*	*16.4*
Margin (%)	*6.3*	*9.5*	*9.7*	*9.9*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	893	1,552	1,806	2,102
Equity Shares O/s (mn)	**91**	**91**	**91**	**91**
EPS (INR)	**12.8**	**17.7**	**19.8**	**23.1**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**9,086**	**12,139**	**13,121**	**13,718**
Tangibles	8,971	12,139	13,121	13,718
Intangibles	114	-	-	-
Acc: Dep / Amortization	**5,387**	**5,988**	**6,549**	**7,161**
Tangibles	5,280	5,988	6,549	7,161
Intangibles	107	-	-	-
Net Fixed Assets	**3,699**	**6,152**	**6,571**	**6,558**
Tangibles	3,691	6,152	6,571	6,558
Intangibles	8	-	-	-
Capital Work In Progress	1,614	185	204	106
Goodwill	441	441	441	441
Non-Current Investments	653	2,292	2,299	2,302
Net Deferred Tax Assets	(124)	(111)	(111)	(111)
Other Non-Current Assets	425	236	499	544
Current Assets				
Investments	2,421	2,461	2,800	3,500
Inventories	3,339	3,940	4,368	4,879
Trade Receivables	3,020	3,780	3,911	4,473
Cash & Bank Balance	762	450	877	1,285
Other Current Assets	337	595	649	742
Total Assets	**16,911**	**20,669**	**22,859**	**25,105**
Equity				
Equity Share Capital	910	910	910	910
Other Equity	11,631	13,107	14,732	16,623
Total Networth	**12,541**	**14,017**	**15,642**	**17,534**
Non-Current Liabilities				
Long Term Borrowings	962	2,018	2,018	2,018
Provisions	101	112	123	140
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	1,043	1,703	1,703	1,703
Trade Payables	1,467	1,927	2,235	2,381
Other Current Liabilities	632	746	990	1,175
Total Equity & Liabilities	**16,911**	**20,669**	**22,859**	**25,104**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	1,357	2,153	2,473	2,883
Add. Depreciation	405	467	562	611
Add. Interest	88	163	208	216
Less Financial Other Income	377	385	388	405
Add. Other	251	(282)	(303)	(332)
Op. Profit before WC Changes	2,101	2,500	2,941	3,378
Net Changes-WC	374	(1,209)	(324)	(873)
Direct Tax	(412)	(606)	(668)	(781)
Net Cash from Op. Activities	**2,063**	**685**	**1,949**	**1,723**
Capital Expenditures	(2,086)	(1,158)	(1,000)	(500)
Interest / Dividend Income	132	121	303	332
Others	(163)	(935)	(717)	(1,121)
Net Cash from Invt. Activities	**(2,118)**	**(1,972)**	**(1,414)**	**(1,290)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	238	1,717	-	-
Dividend Paid	(91)	(91)	(181)	(210)
Interest Paid	(88)	(163)	(208)	(216)
Others	-	-	-	-
Net Cash from Fin. Activities	**59**	**1,463**	**(389)**	**(426)**
Net Change in Cash	**5**	**176**	**146**	**8**
Free Cash Flow	(23)	(473)	949	1,223

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**3,783**	**4,093**	**4,739**	**4,574**
YoY gr. (%)	*7.3*	*20.7*	*27.1*	*25.2*
Raw Material Expenses	1,931	2,110	2,582	2,401
Gross Profit	1,853	1,983	2,157	2,174
Margin (%)	*49.0*	*48.5*	*45.5*	*47.5*
EBITDA	**535**	**633**	**734**	**675**
YoY gr. (%)	*27.9*	*48.0*	*108.8*	*21.7*
Margin (%)	*14.1*	*15.5*	*15.5*	*14.7*
Depreciation / Depletion	113	120	128	138
EBIT	**422**	**513**	**607**	**537**
Margin (%)	*11.1*	*12.5*	*12.8*	*11.7*
Net Interest	31	48	58	58
Other Income	105	68	105	51
Profit before Tax	**496**	**532**	**654**	**530**
Margin (%)	*13.1*	*13.0*	*13.8*	*11.6*
Total Tax	131	136	182	156
Effective Tax Rate (%)	*26.5*	*25.6*	*27.8*	*29.5*
Profit After Tax	**364**	**396**	**472**	**374**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**364**	**396**	**472**	**374**
YoY gr. (%)	*25.8*	*48.3*	*86.8*	*(1.5)*
Margin (%)	*9.6*	*9.7*	*10.0*	*8.2*
Extra Ord. Income / (Exp)	-	(60)	-	-
Reported PAT	**364**	**336**	**472**	**374**
YoY gr. (%)	*25.8*	*25.9*	*(2,076.2)*	*(1.5)*
Margin (%)	*9.6*	*8.2*	*10.0*	*8.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**364**	**336**	**472**	**374**
Avg. Shares O/s (mn)	91	91	91	91
EPS (INR)	**4.0**	**4.3**	**5.2**	**4.1**

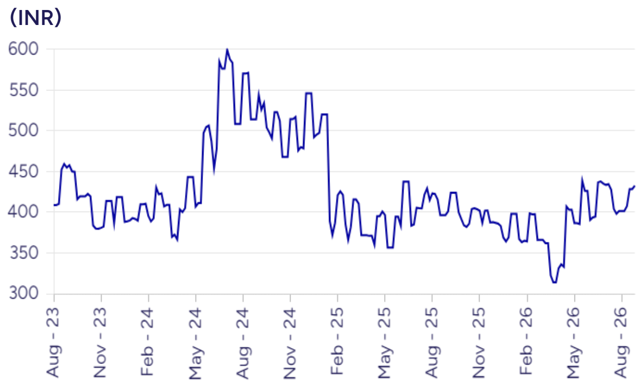
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	12.8	17.7	19.8	23.1
CEPS	17.3	22.8	26.0	29.8
BVPS	137.8	154.0	171.8	192.6
FCF	-	(5.2)	10.4	13.4
DPS	1.0	1.0	2.0	2.3
Return Ratio (%)				
RoCE	10.4	13.2	13.4	14.3
ROIC	9.1	11.8	12.5	13.9
RoE	9.6	12.1	12.2	12.7
Balance Sheet				
Net Debt : Equity (x)	-	0.1	-	-
Net Working Capital (Days)	127	130	119	120
Valuation (x)				
PER	31.9	23.1	20.6	17.7
P/B	2.9	2.6	2.3	2.1
P/CEPS	23.7	17.9	15.7	13.7
EV/EBITDA	20.6	15.5	13.1	10.9
EV/Sales	2.5	2.3	2.0	1.7
Dividend Yield (%)	0.2	0.2	0.4	0.5
FCFF Yield (%)	-	(1.3)	2.5	3.2
PEG Ratio	6.4	0.6	1.7	1.0

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Jul-26	Hold	461	417
2	08-May-26	Hold	461	439
3	09-Apr-26	Hold	408	348
4	06-Feb-26	Hold	408	396
5	07-Jan-26	Hold	407	395
6	06-Nov-25	Hold	407	388
7	07-Oct-25	Hold	402	395
8	07-Aug-25	Hold	402	423
9	09-Jul-25	Accumulate	398	405
10	09-May-25	Accumulate	398	374

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	6944	7285
2	Apar Industries	Accumulate	14720	13889
3	BEML	Accumulate	1940	1776
4	Bharat Electronics	Accumulate	452	407
5	BHEL	Reduce	368	435
6	Carborundum Universal	Reduce	986	1081
7	Cummins India	HOLD	5323	5402
8	Elgi Equipments	Accumulate	637	576
9	Engineers India	Buy	271	235
10	GE Vernova T&D India	Accumulate	4701	4299
11	Grindwell Norton	Accumulate	2113	2018
12	Harsha Engineers International	Hold	461	418
13	Hindustan Aeronautics	BUY	5423	4365
14	Hitachi Energy India	HOLD	34026	32600
15	Ingersoll-Rand (India)	Accumulate	4934	4360
16	Kalpataru Projects International	Buy	1466	1332
17	KEC International	Accumulate	558	487
18	Kirloskar Pneumatic Company	Accumulate	1715	1599
19	Larsen & Toubro	BUY	4425	3832
20	Praj Industries	Accumulate	389	355
21	Siemens	HOLD	3750	3446
22	Siemens Energy India	Accumulate	3434	3252
23	Thermax	Reduce	3952	4306
24	Triveni Turbine	Hold	638	613
25	Voltamp Transformers	Accumulate	11003	9950

PL's Recommendation Nomenclature (Absolute Performance)

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

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