RATING ACCUMULATE | CMP INR 462 | TP INR 520

Harsha Engineers International (HARSHA IN)

Q2FY27 Result Update

November 05, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	Accumulate		Accumulate	
Target Price	520		462	
Sales (INR mn)	20,997	24,485	21,201	24,661
% Chng.	*(1.0)*	*(0.7)*		
EBITDA (INR mn)	3,392	3,996	3,305	3,900
% Chng.	*2.6*	*2.5*		
EPS (INR)	23.3	29.4	23.1	30.1
% Chng.	*0.9*	*(2.3)*		

Key Data	HRSH.BO | HARSHA IN
BSE Code	543600
NSE Code	HARSHA
52-W High / Low	INR 484 / INR 311
Face Value	10
Sensex / Nifty	77,301 / 23,961
Market Cap	INR 42 bn / $ 444 mn
Shares Outstanding	91.04 mn
3M Avg. Daily Value	INR 76.18 mn

Shareholding Pattern (%)

Promoters	75
FIIs	1.11
Mutual Funds	13.67
Domestic Institutions	0.28
Public and Others	9.95
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(2.6)	13.2	18.6	16.3
Relative	(9.4)	14.9	18.6	25.5

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	16,268	18,437	20,997	24,485
EBITDA (INR mn)	2,456	2,892	3,392	3,996
Margin (%)	*15.1*	*15.7*	*16.2*	*16.3*
PAT (INR mn)	1,612	1,831	2,124	2,681
EV (INR mn)	42,873	42,367	41,233	40,822
Total Debt (INR mn)	3,722	3,722	3,722	3,722
C&C Eq. (INR mn)	450	617	1,051	1,762
EPS (INR)	17.7	20.1	23.3	29.4
Gr. (%)	*37.8*	*13.6*	*16.0*	*26.2*
DPS (INR)	1.0	2.0	2.3	2.9
Yield (%)	*0.2*	*0.4*	*0.5*	*0.6*
RoE (%)	*12.1*	*12.3*	*12.8*	*14.3*
RoCE (%)	*13.2*	*13.5*	*14.2*	*15.5*
EV/Sales (x)	2.6	2.3	2.0	1.7
EV/EBITDA (x)	17.5	14.6	12.2	10.2
PE (x)	26.1	23.0	19.8	15.7
P/BV (x)	3.0	2.7	2.4	2.1

Healthy Q2; Subsidiary Margins key monitorable

Quick Pointers

- India Engineering business segment grew by 24.1% YoY with operating EBITDA margin expanding by 277 bps
- Management expects Harsha Advantek to report a profitable H2 FY27 while undertaking operational downsizing in Romania to reduce subsidiary level

Harsha Engineers International (HARSHA) reported a decent Q2FY27 performance, with consolidated revenue growing 16% YoY, driven by healthy growth in India Engineering business, raw material pass-throughs and narrowing losses at Advantek, which supported profitability. Management expects India Engineering to grow at mid-to-high teens and consolidated revenue by ~10–12% YoY in FY27, with long-term blended EBITDA margins of 20%+. Bushings and stampings were the key growth drivers, with ~30% FY27 growth targeted across both segments and a longer-term revenue opportunity of ~INR3 bn each. Large sized cages however reported flat revenue growth with management guiding for a strong H2 ramp-up as demand remains supportive across industrial and automotive applications. Japanese customer sales grew 30% YoY, with FY27 growth expected at ~10–15%, given longer conversion cycles. Advantek remains in the ramp-up phase, targeting INR 1.4bn revenue and H2 profitability, although full-year PAT is expected to remain marginally negative. China operations are expected to deliver single-digit revenue growth, with profitability gradually improving as new steel cage capacity gets commercialised by Q3 FY28. Romania continues to weigh on profitability, prompting downsizing and cost-reduction measures. Meanwhile, solar EPC revenue declined 22% YoY, although order visibility remains supportive, aided by government relaxations on PV cell requirements. Overall, strong demand across cages, bushings and stampings, alongside capacity expansion and initiatives to reduce subsidiary losses, supports the medium-term growth and margin outlook. The stock is currently trading at a P/E of 19.8x/15.7x on FY28/29E earnings. We maintain our 'Accumulate' rating as the company continues to deliver solid growth however we remain watchful on margin improvement trajectory of the subsidiaries. We roll forward to Sep'28E valuing the company at a PE of 20x Sep'28E (20x Mar'28E) and valuing the stock at a TP of INR 520 (INR 462 earlier).

Advantek's profitability, the impact of operational downsizing in Romania, performance in China and progress on the new product development pipeline remain key monitorable 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	Q2'27E	Q2'27A	*% Var.*	Q2'26A	*YoY gr. (%)*
Net Sales (INR mn)	4,191	4,401	*5.0*	3,783	*16.3*
EBITDA (INR mn)	557	747	*34.1*	535	*39.6*
Margin (%)	*13.3*	*17.0*	*370 bps*	*14.1*	*290 bps*
PAT (INR mn)	351	449	*27.9*	364	*23.4*

Source: Company, PL

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Healthy operating performance drives profitability: Consolidated revenue increased by 16.3% YoY to INR 4.4bn (Ple: INR 4.2bn) driven by strong domestic demand trend. Consolidated Engineering revenue rose 17.9% YoY to INR 4.3bn driven by increased in Engineering India revenue by 24.1% YoY to INR 3.3bn. However, Solar EPC revenue decreased by 22% YoY to INR 119mn. Gross margin expanded by 270bps YoY to51.7% (PLe: 48.0%). EBITDA increased by 39.7% YoY to INR 747mn (PLe: INR 557mn) with EBITDA margin expanding by 284bps YoY to 17.0% (Ple: 13.3%) due to higher gross margin. Consolidated Engineering Operating. EBITDA margin expanded to 17.3% (vs 14.6% in Q2FY26). Solar EPC Operating. EBITDA margin increased to 4.5% (3.8% in Q2FY26). Adj. PBT increased by 23.7% to INR 613mn (PLe: INR 465mn), despite decline in other income (-33.4% YoY to INR 70mn) and higher interest cost (+101.3% YoY to INR 61mn). Adj. PAT came in at INR 449mn (+23.2% YoY) (PLe: INR 351mn) with marginally higher effective rate (+32bps YoY to 26.8%)

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr.	Q2FY27	YoY gr.	Q3FY27E	YoY gr.	Q4FY27E	YoY gr.
Sales	4,574	*25.2%*	4,401	*16.3%*	4,663	*13.9%*	5,109	*7.8%*
EBITDA	675	*21.7%*	747	*39.7%*	769	*21.6%*	854	*16.4%*
Margin (%)	*14.7*	*(42.9)*	*17.0*	*284.0*	*16.5*	*103.8*	*16.7*	*123.0*
Adj. PAT	374	*-2%*	449	*23%*	499	*32%*	582	*23%*

Source: Company, PL

Exhibit 2: Revenue increased by 16% YoY while EBITDA margin expanded by 284bps to 17.0%

INR mn	Q2FY27	Q2FY26	YoY gr.	Q2FY27E	% Var.	Q1FY27	QoQ gr.	H1FY27	H1FY26	YoY gr.
Revenue	**4,401**	**3,783**	***16.3%***	**4,191**	***5.0%***	**4,574**	***-3.8%***	**8,975**	**7,436**	***20.7%***
Gross Profit	2,274	1,853	*22.7%*	2,012	*13.0%*	2,174	*4.6%*	4,448	3,638	*22.3%*
Margin (%)	*51.7*	*49.0*	*270*	*48.0*	*367.4*	*47.5*	*415*	*49.6*	*48.9*	*64*
Employee Cost	607	527	*15.2%*	574	*5.7%*	592	*2.6%*	1,199	1,034	*15.9%*
as % of sales	*13.8*	*13.9*	*(14)*	*13.7*	*9.3*	*12.9*	*86*	*13.4*	*13.9*	*(55)*
Other expenditure	920	790	*16.3%*	880	*4.5%*	908	*1.3%*	1,827	1,511	*21.0%*
as % of sales	*20.9*	*20.9*	*0*	*21.0*	*(10.7)*	*19.8*	*105*	*20.4*	*20.3*	*4*
Bad Debts written off	0	0	*0.0%*	-	*NA*	-	*NA*	0	4	*-94.4%*
as % of sales	*0.0*	*0.0*	*(0)*	-	*0.5*	-	*0*	*0.0*	*0.0*	*(5)*
EBITDA	**747**	**535**	***39.7%***	**557**	***34.1%***	**675**	***10.8%***	**1,422**	**1,089**	***30.5%***
Margin (%)	*17.0*	*14.1*	*284*	*13.3*	*368.3*	*14.7*	*224*	*15.8*	*14.6*	*119*
Depreciation	142	113	*25.6%*	140	*1.7%*	138	*3.3%*	280	219	*28.1%*
EBIT	**605**	**422**	***43.5%***	**417**	***44.9%***	**537**	***12.7%***	**1,142**	**871**	***31.1%***
Margin (%)	*13.7*	*11.1*	*260*	*10.0*	*378.8*	*11.7*	*201*	*12.7*	*11.7*	*101*
Other Income	70	105	*-33.4%*	110	*-36.7%*	51	*35.7%*	121	212	*-42.9%*
Interest	61	31	*101.3%*	62	*-1.0%*	58	*5.3%*	120	56	*113.0%*
PBT (ex. Extra-ordinaries)	**613**	**496**	***23.7%***	**465**	***31.8%***	**530**	***15.8%***	**1,143**	**1,026**	***11.4%***
Margin (%)	*13.9*	*13.1*	*83*	*11.1*	*282.9*	*11.6*	*235*	*12.7*	*13.8*	*(107)*
Extraordinary Items	-	-		-	-	-	-	-	-	-
PBT	**613**	**496**	***23.7%***	**465**	***31.8%***	**530**	***15.8%***	**1,143**	**1,026**	***11.4%***
Total Tax	164	131	*25.2%*	114	-	156	*5.2%*	321	283	*13.4%*
Effective Tax Rate (%)	*26.8*	*26.5*	*32*	*24.5*	-	*29.5*	*(268)*	*28.1*	*27.5*	*52*
Reported PAT	**449**	**364**	***23.2%***	**351**	***27.7%***	**374**	***20.2%***	**822**	**744**	***10.6%***
Adj. PAT	**449**	**364**	***23.2%***	**351**	***27.7%***	**374**	***20.2%***	**822**	**744**	***10.6%***
Margin (%)	*10.2*	*9.6*	*57*	*8.4*	*181.4*	*8.2*	*203*	*9.2*	*10.0*	*(84)*
Adj. EPS	**4.9**	**4.0**	***23.2%***	**3.9**	***27.7%***	**4.1**	***20.2%***	**9.0**	**8.2**	***10.6%***

Source: Company, PL

Exhibit 3: India Engineering drives overall Engineering growth weighed down by continued losses in Romania

Segment Performance (INR mn)	Q2FY27	Q2FY26	YoY gr.	Q2FY27E	% Var.	Q1FY27	QoQ gr.	H1FY27	H1FY26	YoY gr.
Engineering & Others - Consolidated										
Revenue	4,282	3,631	*17.9%*	4,015	*6.7%*	4,211	*1.7%*	8,493	7,120	*19.3%*
Opg. EBITDA (ex, other income)	742	529	*40.2%*	572	*29.8%*	650	*14.1%*	1,392	1,079	*29.0%*
Opg. EBITDA margin (%)	17.3%	14.6%	*275*	14.2%	*309*	15.4%	*188*	16.4%	15.2%	*123*
PAT	445	357	*24.6%*	-	-	353	*26.1%*	798	730	*9.3%*
PAT margin (%)	*10.4%*	*9.8%*	*56*	*0.0%*	*1,039*	*8.4%*	*201*	*9.4%*	*10.2%*	*(86)*
Engineering & Others - India										
Revenue	3,300	2,659	*24.1%*	2,984	*10.6%*	3,100	*6.5%*	6,399	5,224	*22.5%*
Opg. EBITDA (ex, other income)	730	515	*41.8%*	552	*32.2%*	660	*10.6%*	1,390	1,078	*29.0%*
Opg. EBITDA margin (%)	22.1%	19.4%	*277*	18.5%	*362*	21.3%	*83*	21.7%	20.6%	*109*
PAT	458	350	*30.9%*	-	-	393	*16.5%*	851	748	*13.8%*
PAT margin (%)	*13.9%*	*13.2%*	*72*	*0.0%*	*1,388*	*12.7%*	*119*	*13.3%*	*14.3%*	*(102)*
Engineering & Others - Foreign Subsidiaries										
Revenue	982	972	*1.0%*	1,030	*-4.7%*	1,111	*-11.6%*	2,093	1,895	*10.4%*
Opg. EBITDA (ex, other income)	12	15	*-17.2%*	20	*-38.0%*	(10)	*-225.9%*	3	2	*53.5%*
Opg. EBITDA margin (%)	1.2%	1.5%	*(27)*	1.9%	*(66)*	-0.9%	*210*	0.1%	0.1%	*3*
PAT	(13)	7	*-284.5%*	-	-	(40)	*-67.6%*	(53)	(19)	*187.6%*
PAT margin (%)	*-1.3%*	*0.7%*	*(206)*	*0.0%*	*(133)*	*-3.6%*	*230*	*-2.6%*	*-1.0%*	*(157)*
Solar-EPC and O&M										
Revenue	119	152	*-21.7%*	177	*-32.5%*	364	*-67.2%*	483	317	*52.4%*
Opg. EBITDA (ex, other income)	5	6	*-7.3%*	9	*-39.1%*	24	*-77.7%*	29	10	*195.9%*
Opg. EBITDA margin (%)	4.5%	3.8%	*70*	5.0%	*(49)*	6.6%	*(212)*	6.1%	3.1%	*296*
PAT	6	7	*-25.7%*	-	-	21	*-73.8%*	27	14	*87.9%*
PAT margin (%)	*4.6%*	*4.9%*	*(25)*	*0.0%*	*461*	*5.8%*	*(116)*	*5.5%*	*4.5%*	*104*

Source: Company, PL

Conference Call Highlights:

General Commentary & Guidance: FY27 revenue growth guidance was reiterated at mid-to-high teens for India and 10–12% on a consolidated basis, with volume growth targeted at 12–15%. Long-term blended EBITDA margin guidance remains above 20%, while H2FY27 India Engineering margins are expected at ~22% and consolidated engineering margins at 17–18%. Sequential revenue decline was largely attributable to lower solar and overseas subsidiary sales. Gross margin improved on raw material passthrough and lower solar contribution. Consolidated working capital stood at 135 days, while H1FY27 capex was INR720mn. No incremental borrowing is planned for FY28, with quarterly interest and depreciation expected within INR100mn. Long-term revenue potential is estimated at INR25–30bn through existing capacity and greenfield expansion.

India Engineering: Q2FY27 revenue grew 24% YoY, led by cages, bushings and stampings, with broad-based domestic demand. Margin improvement reflected higher revenue, raw material pass-through and lower Advantek losses. India exports grew 15% YoY in Q2FY27, with H1FY27 exports at INR2.8bn vs INR4.8bn in FY26. Japanese customer sales grew 30%/28% YoY in Q2/H1FY27 to INR240mn/INR440mn, with annual growth targeted at 10–15%.

Advantek: Q2FY27 loss stood at INR30mn, with FY27 revenue guidance of INR1.4bn on track and H2 PAT profitability expected, although full-year profits may not fully offset H1 losses. Expansion across bushings, stampings and large cages is progressing as planned, with total capex of INR3.5bn. Margins are expected to improve with scale.

Romania & China: Romania remained loss-making, with operational downsizing and cost reduction aimed at arresting losses by FY27-end. Higher cage contribution is targeted to improve product mix, with breakeven potentially from FY28. China remained profitable, with FY27 growth guided at 5–8% and single-digit EBITDA margins expected to improve. Brownfield expansion is on track for Q3FY28 commissioning, with meaningful revenue contribution from FY29. Combined overseas subsidiary losses stood at INR50mn in H1FY27 and are targeted at low single-digit INR crore levels for FY27.

Bushings & Stampings: Bushings revenue grew 42.5%/39% YoY in Q2/H1FY27 to INR420mn/INR760mn, with ~30% FY27 growth targeted. Outsourcing commercialisation is expected in Q3/Q4FY27, with peak annual revenue potential of INR750mn; longer-term sales are targeted at INR3bn. Stampings revenue grew 109%/65% YoY in Q2/H1FY27 to INR230mn/INR420mn, with FY27 growth expected above 30% and long-term sales targeted at INR3bn. New applications across industrial, automotive, railways and compressors support growth, with aerospace & defence and electric mobility offering further opportunities.

Large Cages: Q2FY27/H1FY27 revenue stood at INR140mn/INR240mn, with at least 20% FY27 growth expected on H2 ramp-up. Demand remains supportive across domestic industrial and automotive markets, while incremental bearing capacity additions, low wallet share and localisation at Timken's Bharuch facility provide growth opportunities.

Solar EPC: Q2FY27 revenue and EBITDA stood at INR119mn and INR7.3mn, respectively. Order visibility remains supported by PV cell requirement relaxations through December 2026, with revenue guidance of INR1.5–2bn over the next two years and broadly stable margins.

Capex: FY27 capex is guided at INR1.1bn in India and INR1bn in China, with total FY27–28 capex of INR1.8–2bn, including Advantek Phase-II, China brownfield and capacity additions across cages, stampings and machines. Most spending is expected by June 2027, with commercialisation targeted by H1FY28, subject to customer approvals. Maintenance capex is estimated at INR250–300mn.

New Opportunities: Additional sourcing and outsourcing opportunities are being evaluated across the US and Europe. The first project is at an advanced stage of development, with commercial sales expected to commence in FY28. A second cage-related opportunity is in the early development stage, with phased commercialisation expected during FY28–FY29 and an estimated opportunity of INR750–1,000mn.

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**16,268**	**18,437**	**20,997**	**24,485**
YoY gr. (%)	*15.6*	*13.3*	*13.9*	*16.6*
Cost of Goods Sold	8,490	9,497	10,749	12,471
Gross Profit	7,778	8,940	10,247	12,015
Margin (%)	*47.8*	*48.5*	*48.8*	*49.1*
Employee Cost	2,090	2,360	2,730	3,232
Other Expenses	781	903	1,018	1,188
EBITDA	**2,456**	**2,892**	**3,392**	**3,996**
YoY gr. (%)	*40.4*	*17.8*	*17.3*	*17.8*
Margin (%)	*15.1*	*15.7*	*16.2*	*16.3*
Depreciation and Amortization	467	574	697	735
EBIT	**1,990**	**2,318**	**2,695**	**3,261**
Margin (%)	*12.2*	*12.6*	*12.8*	*13.3*
Net Interest	163	223	275	298
Other Income	385	448	511	684
Profit Before Tax	**2,153**	**2,543**	**2,930**	**3,647**
Margin (%)	*13.2*	*13.8*	*14.0*	*14.9*
Total Tax	601	712	806	966
Effective Tax Rate (%)	*27.9*	*28.0*	*27.5*	*26.5*
Profit After Tax	**1,552**	**1,831**	**2,124**	**2,681**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**1,612**	**1,831**	**2,124**	**2,681**
YoY gr. (%)	*37.8*	*13.6*	*16.0*	*26.2*
Margin (%)	*9.7*	*9.7*	*9.9*	*10.7*
Extra Ord. Income / (Exp)	(60)	-	-	-
Reported PAT	**1,552**	**1,831**	**2,124**	**2,681**
YoY gr. (%)	*73.8*	*18.0*	*16.0*	*26.2*
Margin (%)	*9.5*	*9.9*	*10.1*	*10.9*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,552	1,831	2,124	2,681
Equity Shares O/s (mn)	**91**	**91**	**91**	**91**
EPS (INR)	**17.7**	**20.1**	**23.3**	**29.4**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**12,139**	**13,372**	**14,504**	**14,902**
Tangibles	12,139	13,372	14,504	14,902
Intangibles	-	-	-	-
Acc: Dep / Amortization	**5,988**	**6,562**	**7,258**	**7,994**
Tangibles	5,988	6,562	7,258	7,994
Intangibles	-	-	-	-
Net Fixed Assets	**6,152**	**6,810**	**7,245**	**6,908**
Tangibles	6,152	6,810	7,245	6,908
Intangibles	-	-	-	-
Capital Work In Progress	185	203	21	122
Goodwill	441	441	441	441
Non-Current Investments	2,292	2,299	2,302	2,309
Net Deferred Tax Assets	(111)	(111)	(111)	(111)
Other Non-Current Assets	236	496	539	660
Current Assets				
Investments	2,461	2,800	3,500	3,200
Inventories	3,940	4,218	4,717	5,702
Trade Receivables	3,780	4,091	4,314	5,501
Cash & Bank Balance	450	617	1,051	1,762
Other Current Assets	595	645	735	1,077
Total Assets	**20,669**	**22,861**	**25,138**	**28,075**
Equity				
Equity Share Capital	910	910	910	910
Other Equity	13,107	14,754	16,666	19,079
Total Networth	**14,017**	**15,664**	**17,576**	**19,989**
Non-Current Liabilities				
Long Term Borrowings	2,018	2,018	2,018	2,018
Provisions	112	120	136	162
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	1,703	1,703	1,703	1,703
Trade Payables	1,927	2,223	2,416	2,683
Other Current Liabilities	746	984	1,136	1,362
Total Equity & Liabilities	**20,669**	**22,861**	**25,137**	**28,075**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	2,153	2,543	2,930	3,647
Add. Depreciation	467	574	697	735
Add. Interest	163	223	275	298
Less Financial Other Income	385	448	511	684
Add. Other	(282)	(362)	(440)	(606)
Op. Profit before WC Changes	2,500	2,978	3,462	4,074
Net Changes-WC	(1,209)	(369)	(505)	(2,184)
Direct Tax	(606)	(712)	(806)	(966)
Net Cash from Op. Activities	**685**	**1,896**	**2,151**	**924**
Capital Expenditures	(1,158)	(1,250)	(950)	(500)
Interest / Dividend Income	121	362	440	606
Others	(935)	(716)	(1,121)	(353)
Net Cash from Invt. Activities	**(1,972)**	**(1,604)**	**(1,630)**	**(247)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	1,717	-	-	-
Dividend Paid	(91)	(183)	(212)	(268)
Interest Paid	(163)	(223)	(275)	(298)
Others	-	-	-	-
Net Cash from Fin. Activities	**1,463**	**(406)**	**(488)**	**(566)**
Net Change in Cash	**176**	**(114)**	**33**	**111**
Free Cash Flow	(473)	646	1,201	424

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**4,093**	**4,739**	**4,574**	**4,401**
YoY gr. (%)	*20.7*	*27.1*	*25.2*	*16.3*
Raw Material Expenses	2,110	2,582	2,401	2,127
Gross Profit	1,983	2,157	2,174	2,274
Margin (%)	*48.5*	*45.5*	*47.5*	*51.7*
EBITDA	**633**	**734**	**675**	**747**
YoY gr. (%)	*48.0*	*108.8*	*21.7*	*39.7*
Margin (%)	*15.5*	*15.5*	*14.7*	*17.0*
Depreciation / Depletion	120	128	138	142
EBIT	**513**	**607**	**537**	**605**
Margin (%)	*12.5*	*12.8*	*11.7*	*13.7*
Net Interest	48	58	58	61
Other Income	68	105	51	70
Profit before Tax	**532**	**654**	**530**	**613**
Margin (%)	*13.0*	*13.8*	*11.6*	*13.9*
Total Tax	136	182	156	164
Effective Tax Rate (%)	*25.6*	*27.8*	*29.5*	*26.8*
Profit After Tax	**396**	**472**	**374**	**449**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**396**	**472**	**374**	**449**
YoY gr. (%)	*48.3*	*86.8*	*(1.5)*	*23.2*
Margin (%)	*9.7*	*10.0*	*8.2*	*10.2*
Extra Ord. Income / (Exp)	(60)	-	-	-
Reported PAT	**336**	**472**	**374**	**449**
YoY gr. (%)	*25.9*	*(2,076.2)*	*(1.5)*	*23.2*
Margin (%)	*8.2*	*10.0*	*8.2*	*10.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**336**	**472**	**374**	**449**
Avg. Shares O/s (mn)	91	91	91	91
EPS (INR)	**4.3**	**5.2**	**4.1**	**4.9**

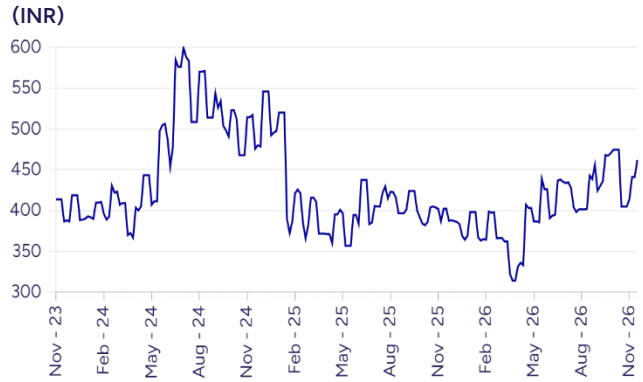
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	17.7	20.1	23.3	29.4
CEPS	22.8	26.4	31.0	37.5
BVPS	154.0	172.1	193.1	219.6
FCF	(5.2)	7.1	13.2	4.7
DPS	1.0	2.0	2.3	2.9
Return Ratio (%)				
RoCE	13.2	13.5	14.2	15.5
ROIC	11.8	12.2	13.6	14.8
RoE	12.1	12.3	12.8	14.3
Balance Sheet				
Net Debt : Equity (x)	0.1	-	-	-
Net Working Capital (Days)	130	121	115	127
Valuation (x)				
PER	26.1	23.0	19.8	15.7
P/B	3.0	2.7	2.4	2.1
P/CEPS	20.2	17.5	14.9	12.3
EV/EBITDA	17.5	14.6	12.2	10.2
EV/Sales	2.6	2.3	2.0	1.7
Dividend Yield (%)	0.2	0.4	0.5	0.6
FCFF Yield (%)	(1.1)	1.5	2.9	1.0
PEG Ratio	0.7	1.7	1.2	0.6

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Oct-26	Accumulate	462	462
2	12-Aug-26	Accumulate	462	410
3	08-Jul-26	Hold	461	418
4	08-May-26	Hold	461	439
5	09-Apr-26	Hold	409	349
6	06-Feb-26	Hold	408	396
7	07-Jan-26	Hold	407	395
8	06-Nov-25	Hold	407	388
9	07-Oct-25	Hold	402	395
10	07-Aug-25	Hold	402	423

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	7005	6944
2	Apar Industries	Accumulate	16674	15846
3	BEML	Accumulate	2007	2011
4	Bharat Electronics	BUY	490	380
5	BHEL	REDUCE	426	464
6	Carborundum Universal	Accumulate	1178	1114
7	Cummins India	BUY	5414	4386
8	Elgi Equipments	Accumulate	602	638
9	Engineers India	BUY	328	252
10	GE Vernova T&D India	BUY	5928	4020
11	Grindwell Norton	Accumulate	2245	1955
12	Harsha Engineers International	Accumulate	462	462
13	Hindustan Aeronautics	BUY	4746	5795
14	Hitachi Energy India	HOLD	31610	34026
15	Ingersoll-Rand (India)	Accumulate	4089	5029
16	Kalpataru Projects International	Accumulate	1454	1472
17	KEC International	BUY	406	316
18	Kirloskar Pneumatic Company	BUY	790	536
19	Larsen & Toubro	BUY	4437	3665
20	Praj Industries	BUY	353	242
21	Siemens	HOLD	3793	3831
22	Siemens Energy India	BUY	3344	3655
23	Solar Industries India	BUY	20050	23124
24	Thermax	REDUCE	3230	3952
25	Triveni Turbine	HOLD	529	615
26	Voltamp Transformers	BUY	11858	10262

PL's Recommendation Nomenclature (Absolute Performance)

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

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