PL Capital
PRABHUDAS LILLADHER

KEC International (KECI IN)

Q2FY27 Result Update

November 03, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	406		451	
Sales (INR mn)	288,059	324,383	298,262	334,551
% Chng.	*(3.4)*	*(3.0)*		
EBITDA (INR mn)	19,876	24,977	20,878	26,597
% Chng.	*(4.8)*	*(6.1)*		
EPS (INR)	29.8	44.0	33.2	48.7
% Chng.	*(10.2)*	*(9.7)*		

Key Data	KECL.BO | KECI IN
BSE Code	532714
NSE Code	KEC
52-W High / Low	INR 821 / INR 311
Face Value	2
Sensex / Nifty	76,918 / 23,811
Market Cap	INR 84 bn / $ 889 mn
Shares Outstanding	266.2 mn
3M Avg. Daily Value	INR 631.36 mn

Shareholding Pattern (%)

Promoters	50.10
FIIs	8.69
Mutual Funds	18.32
Domestic Institutions	2.44
Public and Others	20.45
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(15.0)	(33.9)	(43.6)	(61.0)
Relative	(20.6)	(32.4)	(43.6)	(57.4)

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	235,055	253,849	288,059	324,383
EBITDA (INR mn)	16,586	15,485	19,876	24,977
Margin (%)	*7.1*	*6.1*	*6.9*	*7.7*
PAT (INR mn)	6,507	5,059	7,926	11,703
EV (INR mn)	132,871	140,972	138,231	134,592
Total Debt (INR mn)	53,778	60,778	58,778	55,778
C&C Eq. (INR mn)	5,119	4,017	4,759	5,398
EPS (INR)	24.4	19.0	29.8	44.0
Gr. (%)	*17.9*	*(22.3)*	*56.7*	*47.6*
DPS (INR)	3.9	3.8	6.0	8.8
Yield (%)	*1.2*	*1.2*	*1.9*	*2.8*
RoE (%)	*11.3*	*8.0*	*11.5*	*15.1*
RoCE (%)	*10.8*	*8.4*	*10.1*	*12.4*
EV/Sales (x)	0.6	0.6	0.5	0.4
EV/EBITDA (x)	8.0	9.1	7.0	5.4
PE (x)	12.9	16.6	10.6	7.2
P/BV (x)	1.4	1.3	1.2	1.0

Disappointing Q2; Margin recovery key monitorable

Quick Pointers

- Management has lowered FY27 revenue guidance to 8-10% YoY from 12-15% YoY earlier
- Execution impacted by labour shortages, lower water collections, cost overruns and right of way challenges.

We have revised our EPS estimates downwards by 10.2%/9.7% for FY28E/FY29E, factoring in sustained weakness in civil and transportation, slower solar EPC execution and higher interest costs amid elevated position of net debt, including acceptances. KEC International (KECI) reported a weak Q2FY27 performance, with revenue declining 10.2% YoY and EBITDA margin contracting 210bps, impacted by Middle East-related supply-chain disruptions, labour shortages and elevated execution costs. India T&D execution remained subdued due to land acquisition and right-of-way challenges, while SAE Towers continued to deliver healthy growth. T&D order inflows remained geographically diversified, with the company securing a substantial INR 30bn PGCIL order in October 2026 after a 15-month gap. Cables revenue grew 17% YoY, while aluminium conductor capacity expansion and upcoming elastomeric cable and EVM production are expected to support growth and margin improvement. Civil execution remained impacted by labour shortages and slower water collections, while transportation revenue declined 47% YoY as the focus remains on closing legacy projects. Management lowered FY27 revenue growth guidance to 8–10% YoY from 12–15% earlier, with recovery expected to be back-ended, led by an execution ramp-up in India T&D. Working capital and net debt remained elevated due to collection spillovers and inventory build-up. The FY27-end working capital target has been revised upwards to ~125 days from ~110 days, while the net debt target has increased to ~INR 60bn from ~INR 55bn by March 2027. Despite near-term execution challenges, a healthy order book provides medium-term revenue visibility. Continued execution in T&D and Cables, selective order intake in civil and transportation, alongside legacy project closures, should support gradual margin improvement. The stock is currently trading at 10.6x/7.2x FY28E/FY29E earnings. We maintain our BUY rating, given the recent stock price correction, and value the business at an unchanged 11x Sep'28E P/E, arriving at a revised target price of INR 406 (from INR 451 earlier).

In the near term, normalization in supply chain disruptions and labour shortages, along with turnaround in Civil business execution will remain key monitorable, however we remain constructive on KEC in the long term given its 1) strong order book, 2) healthy execution momentum, 3) robust T&D outlook, especially in renewable energy, and 4) expansion of Cables business and commercialization of value added products.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
Net Sales (INR mn)	60,692	54,677	*(9.9)*	60,916	*(10.2)*
EBITDA (INR mn)	3,520	2,713	*(22.9)*	4,304	*(37.0)*
Margin (%)	*5.8*	*5.0*	*(80) bps*	*7.1*	*(210) bps*
PAT (INR mn)	1,190	297	*(75.0)*	1,608	*(81.5)*

Source: Company, PL

Amit Anwani
amitanwani@plindia.com | +91-22-66322250

Hitesh Agarwal
hiteshagarwal@plindia.com | +91-22-66322535

Devansh Dedhia
devanshdedhia@plindia.com | +91-22-66322324

Lower execution and operating deleverage impact profitability: Consolidated revenue declined 10.2%YoY to INR54.7bn (PLe: INR 60.7bn) due to weak standalone T&D business execution at INR31.9bn (-12.5% YoY) and continued decline across Railways (-47.3% YoY to INR2.2bn) and solar (-93.2% YoY to INR130mn), offset partially by growth in SAE (+14.9% YoY to INR4.9bn), Cables (+17% YoY to INR6bn) and O&G (+76.9% YoY to INR920mn). EBITDA decreased by 37.0% YoY to INR2.7bn (Ple: INR3.5bn) while EBITDA margin contracted by 210bps YoY to 5.0% (Ple: 5.8) due to lower gross margins (-59bps YoY to 21.3%) and higher employee cost (+7% YoY to INR4.6bn). Adj. PBT came in at INR409mn (-81% YoY) (Ple: INR1.5bn) despite of increase in other income (+187% YoY to INR133mn) due to higher interest cost (+11.2% YoY to INR1.9bn). Adj. PAT decreased by 81.5% YoY to INR297mn (PLe: INR1.2bn) further impacted by higher effective tax rate 27.3% (vs 24.5% in Q2FY26). Net Working Capital (NWC) stands at 155 days as on 30th Sep 2026 vs 137 days as on 31st Mar 2026. Net debt including acceptances have Increased by INR.11bn in Sep'26 to INR. 78bn compared to Mar'26.

Healthy order book stands at INR399bn (1.7x TTM Revenue): Q2FY27 order inflows decreased by 31.2% YoY to INR72bn with T&D/SAE/Civil/Transportation/Cables/Renewables mix of 79%/3%/4%/2%/8%/5%. Order book stood at INR399bn with T&D/SAE/Civil/Transportation/Cables/Others mix of 56%/9%/23%/5%/3%/4%. The order book stands at ~INR435bn Including L1, with a tender pipeline exceeding INR2trn.

Exhibit 1: **Quarterly Estimates**

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
Sales	50,235	0.0%	54,677	-10.2%	67,186	12.0%	81,751	27.9%
EBITDA	2,908	-16.9%	2,713	-37.0%	3,964	-7.8%	5,900	31.7%
Margin (%)	*5.8*	*(118.1)*	*5.0*	*(210.4)*	*5.9*	*(126.5)*	*7.2*	*20.5*
Adj. PAT	726	-42%	297	-81%	1,317	-24%	2,718	41%

Source: Company, PL

Exhibit 2: **Revenue growth declined 10.2% YoY with EBITDA margin contracted by 210bps YoY to 5.0%**

INR mn	Q2FY27	Q2FY26	YoY.gr	Q2FY27E	Var.	Q1FY27	QoQ.gr	H1FY27	H1FY26	YoY.gr
Revenue	**54,677**	**60,916**	**-10.2%**	**60,692**	**-9.9%**	**50,235**	**8.8%**	**104,913**	**111,144**	**-5.6%**
Gross Profit	11,659	13,349	-12.7%	13,716	-15.0%	12,046	-3.2%	23,706	24,812	-4.5%
Margin (%)	21.3	21.9	*(59)*	22.6	*(128)*	24.0	*(266)*	22.6	22.3	*27*
Employee Cost	4,562	4,258	*7.1%*	4,370	*4.4%*	4,309	*5.9%*	8,871	8,182	*8.4%*
as % of sales	8.3	7.0	*135*	7.2	*114*	8.6	*(23)*	8.5	7.4	*109*
Other expenditure	4,384	4,787	-8.4%	5,826	-24.8%	4,830	-9.2%	9,214	8,825	*4.4%*
as % of sales	8.0	7.9	*16*	9.6	*(158)*	9.6	*(160)*	8.8	7.9	*84*
EBITDA	**2,713**	**4,304**	**-37.0%**	**3,520**	**-22.9%**	**2,908**	**-6.7%**	**5,621**	**7,805**	**-28.0%**
Margin (%)	5.0	7.1	*(210)*	5.8	*(84)*	5.8	*(83)*	5.4	7.0	*(166)*
Depreciation	530	506	*4.8%*	530	*0.0%*	508	*4.3%*	1,038	964	*7.7%*
EBIT	**2,183**	**3,798**	**-42.5%**	**2,990**	**-27.0%**	**2,400**	**-9.1%**	**4,583**	**6,841**	**-33.0%**
Margin (%)	4.0	6.2	*(224)*	4.9	*(93)*	4.8	*(79)*	4.4	6.2	*(179)*
Other Income	133	46	*186.6%*	145	*-8.5%*	139	*-4.8%*	272	100	*171.6%*
Interest	1,907	1,715	*11.2%*	1,600	*19.2%*	1,640	*16.2%*	3,547	3,226	*9.9%*
PBT (ex. Extra-ordinaries)	**409**	**2,130**	**-80.8%**	**1,535**	**-73.4%**	**899**	**-54.5%**	**1,308**	**3,715**	**-64.8%**
Margin (%)	0.7	3.5	*(275)*	2.5	*(178)*	1.8	*(104)*	1.2	3.3	*(210)*
Extraordinary Items	-	-		-		-		-	-	
PBT	409	2,130	-80.8%	1,535	-73.4%	899	-54.5%	1,308	3,715	-64.8%
Total Tax	111	522	-78.7%	345	*0.0%*	173	-35.5%	284	861	-67.0%
Effective Tax Rate (%)	27.3	24.5	*273*	22.5	-	19.2	*803*	21.7	23.2	*(146)*
Reported PAT	**297**	**1,608**	**-81.5%**	**1,190**	**-75.0%**	**726**	**-59.0%**	**1,024**	**2,854**	**-64.1%**
Adj. PAT	**297**	**1,608**	**-81.5%**	**1,190**	**-75.0%**	**726**	**-59.0%**	**1,024**	**2,854**	**-64.1%**
Margin (%)	0.5	2.6	*(209)*	2.0	*(142)*	1.4	*(90)*	1.0	2.6	*(159)*
Adj. EPS	**1.1**	**6.0**	**-81.5%**	**4.5**	**-75.0%**	**2.7**	**-59.0%**	**3.8**	**10.7**	**-64.1%**

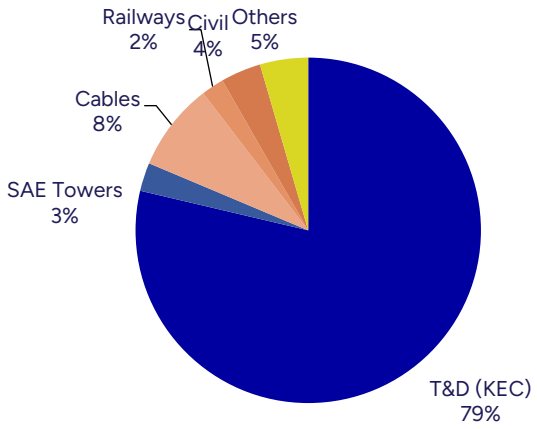
Source: Company, PL

Exhibit 3: Performance impacted across T&D, civil and railways due to Middle East war, labour shortages and Right of Way challenges

Business Performance	Q2FY27	Q2FY26	YoY.gr	Q2FY27E	Var.	Q1FY27	QoQ.gr	H1FY27	H1FY26	YoY.gr
Business-wise Revenue (INR mn)										
T&D (KEC)	31,930	36,510	*-12.5%*	34,924	*-8.6%*	27,670	*15.4%*	59,600	64,480	*-7.6%*
SAE Towers	4,930	4,290	*14.9%*	4,901	*0.6%*	4,500	*9.6%*	9,430	7,880	*19.7%*
Cables	6,130	5,240	*17.0%*	6,785	*-9.7%*	6,010	*2.0%*	12,140	9,070	*33.8%*
Railways	2,240	4,250	*-47.3%*	2,488	*-10.0%*	2,590	*-13.5%*	4,830	8,960	*-46.1%*
Solar/Others	130	1,900	*-93.2%*	1,508	*-91.4%*	560	*-76.8%*	690	3,260	*-78.8%*
Civil	9,570	9,680	*-1.1%*	9,801	*-2.4%*	9,930	*-3.6%*	19,500	19,080	*2.2%*
Oil & Gas Pipelines	920	520	*76.9%*	1,885	*-51.2%*	1,170	*-21.4%*	2,090	1,120	*86.6%*
Intersegmental	(1,180)	(1,470)	*-19.7%*	(1,600)	*-26.3%*	(2,190)	*-46.1%*	(3,370)	(2,710)	*24.4%*
Total	**54,670**	**60,920**	***-10.3%***	**60,692**	***-9.9%***	**50,240**	***8.8%***	**104,910**	**111,140**	***-5.6%***

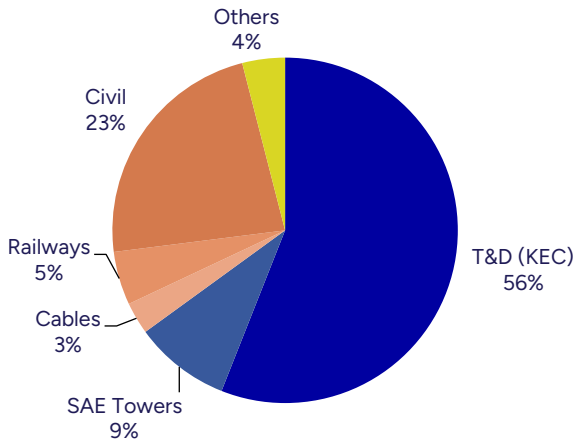
Source: Company, PL

Exhibit 4: Order inflow for Q2FY27 stood at ~INR72bn



Source: Company, PL

Exhibit 5: Order book for Q2FY27 stood at ~INR399bn



Source: Company, PL

Conference Call Highlights

- **Guidance:** FY27 revenue growth is expected at 8–10% vs earlier guidance of 12-15% YoY, despite an estimated INR 6bn revenue impact from West Asia disruptions. Recovery remains uncertain and will depend on the cessation of hostilities, logistics normalization and resumption of supplies. India T&D is expected to drive incremental growth, with a significant revenue ramp-up from Q4FY27, while Middle East operations contribute to base revenue. FY27 is expected to represent the margin trough, with FY28 margins expected to remain above current levels. Loss-making legacy projects are expected to be largely closed by Q2FY28, supporting a gradual reduction in execution losses.

- **Financial Performance & Working Capital:** Profitability was impacted by lower revenue, elevated freight and fuel costs, project closure costs (primarily metros) and delays in resolving contractual claims. Net debt and working capital remain elevated due to INR 6bn of collection spillovers, INR 1.5bn of strategic inventory and lower-than-expected water/metro collections. Net debt is expected to decline to ~INR 60bn by FY27-end, while working capital is targeted at ~125 days versus the earlier target of 110 days, reflecting Saudi project closure delays and higher Middle East execution. India T&D working capital has reduced to ~40 days. Jal Jeevan Mission receivables stand at ~INR 6–7bn, with INR 1.5bn received and a similar amount being spent on project completion. More than INR 1.5bn is expected from Power Grid against completed legacy projects.

- **Post-quarter Developments:** Secured INR 30bn of Power Grid orders after a 15-month gap, including a large INR 12bn order, with execution expected from December 2026. More than INR 2bn of Afghanistan receivables, outstanding for over five years, was collected in October, with another INR 1.5bn expected by January 2027. Clients have also paid INR 3bn in advances against West Asia cost escalation claims, pending final resolution after the war.

- **West Asia:** Operations remain stable, with the region accounting for ~22% of order book and pipeline. Order finalization and execution have been delayed by supply-chain disruptions, elevated freight and fuel costs, and delayed equipment/steel supplies. Orders were secured in Saudi Arabia, Oman and the UAE, with additional L1 positions. Revenue and margin recognition remain impacted by deferred supplies pending commercial alignment, while cash flows remain stable. New retention accruals are expected to decline, with older retentions being released.

- **T&D:** Secured orders from Power Grid and private developers for transmission infrastructure linked to PSP and hydro projects. International wins included re-entry into Bhutan, while African markets are showing a gradual revival, including an L1 position in a large substation order. Domestic execution was EPC-heavy due to a higher share of private developer contracts and limited Power Grid orders in the preceding period.

- **SAE Towers:** Revenue grew 15% YoY to INR 4.93bn, with order inflows exceeding INR 19bn across the US, Mexico and Brazil. Order book and L1 positions have increased to ~INR 37bn. The business also executed its first pilot order for transformer tanks, opening opportunities in new industry segments.

- **Civil:** Execution was impacted by labour shortages, delayed work-front availability, clearance delays and slower water collections, resulting in higher costs and calibrated execution. Chennai Metro Phase 2 was inaugurated during the quarter, with the second package expected to be completed by March 2027. Only ~INR 1.5bn of revenue remains from the CMRL project. Civil order book stands at ~INR 90bn, largely comprising BNF projects, including ~INR 10bn of JJM orders. Order intake remains selective, with focus on execution and profitability.

- **Cables & Conductors:** Demand remains robust across infrastructure, power transmission and industrial segments. Elastomeric cable and EVM production is expected to commence in Q3FY27, supporting improved realizations and long-term margins. Phase 2 of aluminium conductor capacity expansion has been initiated, with capex of ~INR 0.5bn. A strategic investment or partial stake dilution may be evaluated after 12 months.

- **Transportation**: More than 10 legacy projects have been physically completed during FY27, while most remaining projects are nearing closure. The business completed a first-of-its-kind project involving 16 elephant underpasses in Chhattisgarh and entered the ROCS segment through a DMRC order for Jaipur Metro. Railway coverage has been implemented across 682 route km, with deployments underway across another 1,765 route km and over 3,000 locomotives. Focus remains on project closures, claim settlements and selective pursuit of high-value opportunities.

- **Renewables**: Secured two large wind EPC orders and one solar EPC order from private developers. The business is currently executing renewable energy projects with cumulative capacity exceeding 950MW.

- **Manufactured Products:** Manufactured products revenue is targeted at INR 40–50bn, with cable and AC businesses currently contributing ~INR 40bn. The company aims to increase the share of transmission products, supported by higher tower sales to the US and Australian markets. Around 70–80% of transmission product sales in India and Dubai are captive, while SAE sales are entirely third-party. Cable and conductor revenue is expected to reach INR 35bn by FY28-end and INR 40bn or higher in FY29, with captive consumption accounting for ~30–40% of revenue (~INR 10bn on INR 25bn revenue).

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**235,055**	**253,849**	**288,059**	**324,383**
YoY gr. (%)	*7.6*	*8.0*	*13.5*	*12.6*
Cost of Goods Sold	112,461	121,594	138,268	154,730
Gross Profit	122,594	132,256	149,791	169,652
Margin (%)	*52.2*	*52.1*	*52.0*	*52.3*
Employee Cost	16,624	18,023	19,588	21,409
Other Expenses	10,956	13,962	15,843	17,517
EBITDA	**16,586**	**15,485**	**19,876**	**24,977**
YoY gr. (%)	*10.3*	*(6.6)*	*28.4*	*25.7*
Margin (%)	*7.1*	*6.1*	*6.9*	*7.7*
Depreciation and Amortization	1,974	2,177	2,471	2,704
EBIT	**14,612**	**13,307**	**17,405**	**22,274**
Margin (%)	*6.2*	*5.2*	*6.0*	*6.9*
Net Interest	6,636	7,172	7,347	7,251
Other Income	503	520	539	581
Profit Before Tax	**7,891**	**6,656**	**10,596**	**15,603**
Margin (%)	*3.4*	*2.6*	*3.7*	*4.8*
Total Tax	1,836	1,597	2,670	3,901
Effective Tax Rate (%)	*23.3*	*24.0*	*25.2*	*25.0*
Profit After Tax	**6,056**	**5,059**	**7,926**	**11,703**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**6,507**	**5,059**	**7,926**	**11,703**
YoY gr. (%)	*17.9*	*(22.3)*	*56.7*	*47.6*
Margin (%)	*2.8*	*2.0*	*2.8*	*3.6*
Extra Ord. Income / (Exp)	(451)	-	-	-
Reported PAT	**6,056**	**5,059**	**7,926**	**11,703**
YoY gr. (%)	*6.1*	*(16.5)*	*56.7*	*47.6*
Margin (%)	*2.6*	*2.0*	*2.8*	*3.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,056	5,059	7,926	11,703
Equity Shares O/s (mn)	**266**	**266**	**266**	**266**
EPS (INR)	**24.4**	**19.0**	**29.8**	**44.0**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**28,741**	**33,471**	**36,616**	**39,758**
Tangibles	28,741	33,471	36,616	39,758
Intangibles	-	-	-	-
Acc: Dep / Amortization	**14,094**	**16,271**	**18,742**	**21,446**
Tangibles	14,094	16,271	18,742	21,446
Intangibles	-	-	-	-
Net Fixed Assets	**14,647**	**17,200**	**17,874**	**18,312**
Tangibles	14,647	17,200	17,874	18,312
Intangibles	-	-	-	-
Capital Work In Progress	4,224	3,493	3,548	3,606
Goodwill	-	-	-	-
Non-Current Investments	654	863	979	1,103
Net Deferred Tax Assets	4,754	4,754	4,754	4,754
Other Non-Current Assets	4,897	5,839	6,625	7,461
Current Assets				
Investments	-	-	-	-
Inventories	15,327	21,560	22,098	24,884
Trade Receivables	65,057	77,198	82,866	79,985
Cash & Bank Balance	5,119	4,017	4,759	5,398
Other Current Assets	12,857	18,023	19,300	22,058
Total Assets	**246,827**	**272,579**	**294,589**	**316,240**
Equity				
Equity Share Capital	532	532	532	532
Other Equity	61,065	65,095	72,009	82,126
Total Networth	**61,597**	**65,627**	**72,542**	**82,659**
Non-Current Liabilities				
Long Term Borrowings	8,820	8,820	8,820	8,820
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	44,958	51,958	49,958	46,958
Trade Payables	108,240	118,231	134,164	146,639
Other Current Liabilities	27,966	32,697	33,859	35,918
Total Equity & Liabilities	**246,827**	**272,579**	**294,589**	**316,240**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	7,891	6,656	10,596	15,603
Add. Depreciation	1,974	2,177	2,471	2,704
Add. Interest	6,636	7,172	7,347	7,251
Less Financial Other Income	503	520	539	581
Add. Other	1,264	-	-	-
Op. Profit before WC Changes	17,765	16,005	20,415	25,558
Net Changes-WC	(18,899)	(10,309)	(3,444)	(5,982)
Direct Tax	(3,007)	(1,597)	(2,670)	(3,901)
Net Cash from Op. Activities	**(4,141)**	**4,098**	**14,300**	**15,676**
Capital Expenditures	(2,772)	(4,000)	(3,200)	(3,200)
Interest / Dividend Income	258	-	-	-
Others	96	-	-	-
Net Cash from Invt. Activities	**(2,418)**	**(4,000)**	**(3,200)**	**(3,200)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	3,931	7,000	(2,000)	(3,000)
Dividend Paid	(1,464)	(1,028)	(1,012)	(1,585)
Interest Paid	(6,357)	(7,172)	(7,347)	(7,251)
Others	8,999	-	-	-
Net Cash from Fin. Activities	**5,110**	**(1,200)**	**(10,359)**	**(11,836)**
Net Change in Cash	**(1,450)**	**(1,102)**	**741**	**639**
Free Cash Flow	(7,428)	98	11,100	12,476

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**60,014**	**63,898**	**50,235**	**54,677**
YoY gr. (%)	*12.2*	*(7.0)*	*-*	*(10.2)*
Raw Material Expenses	29,280	30,358	20,928	25,525
Gross Profit	30,734	33,540	29,308	29,153
Margin (%)	*51.2*	*52.5*	*58.3*	*53.3*
EBITDA	**4,300**	**4,481**	**2,908**	**2,713**
YoY gr. (%)	*14.8*	*(16.8)*	*(16.9)*	*(37.0)*
Margin (%)	*7.2*	*7.0*	*5.8*	*5.0*
Depreciation / Depletion	504	506	508	530
EBIT	**3,796**	**3,975**	**2,400**	**2,183**
Margin (%)	*6.3*	*6.2*	*4.8*	*4.0*
Net Interest	1,711	1,699	1,640	1,907
Other Income	102	301	139	133
Profit before Tax	**1,599**	**2,577**	**899**	**409**
Margin (%)	*2.7*	*4.0*	*1.8*	*0.7*
Total Tax	325	649	173	111
Effective Tax Rate (%)	*20.3*	*25.2*	*19.2*	*27.3*
Profit After Tax	**1,275**	**1,928**	**726**	**297**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**1,743**	**1,928**	**726**	**297**
YoY gr. (%)	*34.5*	*(28.1)*	*(41.7)*	*(81.5)*
Margin (%)	*2.9*	*3.0*	*1.4*	*0.5*
Extra Ord. Income / (Exp)	(468)	-	-	-
Reported PAT	**1,275**	**1,928**	**726**	**297**
YoY gr. (%)	*(1.6)*	*(28.1)*	*(41.7)*	*(81.5)*
Margin (%)	*2.1*	*3.0*	*1.4*	*0.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**1,275**	**1,928**	**726**	**297**
Avg. Shares O/s (mn)	257	257	257	257
EPS (INR)	**6.8**	**7.5**	**2.8**	**1.2**

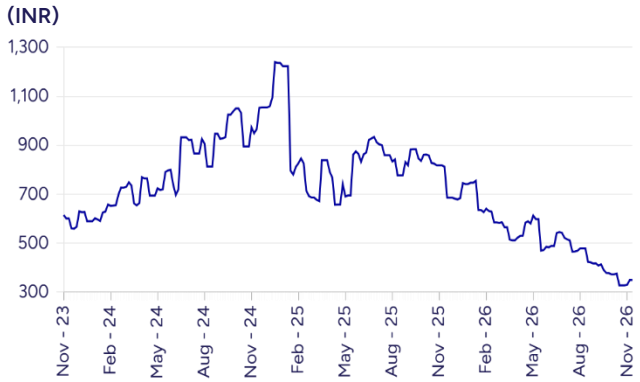
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	24.4	19.0	29.8	44.0
CEPS	31.9	27.2	39.1	54.1
BVPS	231.4	246.5	272.5	310.5
FCF	(27.9)	0.4	41.7	46.9
DPS	3.9	3.8	6.0	8.8
Return Ratio (%)				
RoCE	10.8	8.4	10.1	12.4
ROIC	11.3	8.7	10.5	12.9
RoE	11.3	8.0	11.5	15.1
Balance Sheet				
Net Debt : Equity (x)	0.8	0.9	0.7	0.6
Net Working Capital (Days)	135	139	127	120
Valuation (x)				
PER	12.9	16.6	10.6	7.2
P/B	1.4	1.3	1.2	1.0
P/CEPS	9.9	11.6	8.1	5.8
EV/EBITDA	8.0	9.1	7.0	5.4
EV/Sales	0.6	0.6	0.5	0.4
Dividend Yield (%)	1.2	1.2	1.9	2.8
FCFF Yield (%)	(8.8)	0.1	13.2	14.8
PEG Ratio	0.7	-	0.2	0.2

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Oct-26	BUY	363	451
2	12-Aug-26	Accumulate	523	451
3	08-Jul-26	Accumulate	558	487
4	27-May-26	Accumulate	558	499
5	18-May-26	Accumulate	558	488
6	09-Apr-26	Accumulate	748	578
7	31-Jan-26	Accumulate	748	669
8	07-Jan-26	BUY	932	717
9	11-Nov-25	BUY	932	768
10	07-Oct-25	Accumulate	911	861

Analyst Coverage Universe

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

PL's Recommendation Nomenclature (Absolute Performance)

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

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Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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