Engineers India Ltd. (ENGIND)

CMP: ₹280 | Target ₹ 360 (29%) | Target Period: 12 months

BUY

November 2, 2026

Consultancy- led growth to strengthen earning momentum...

About the stock: Engineers India (EIL), established in 1965, is an Indian public sector Navratna company, primarily present into two segments - Engineering Consultancy and LSTK (Lump Sum Turnkey). EIL's business operations span the hydrocarbon value chain as well as diversified areas of Metallurgy, Infrastructure, Biofuels & Green Hydrogen.

- In FY26, consultancy and turnkey segments (LSTK) contributed 46% & 54% to total revenues respectively.

Q2FY27 performance: Engineers India reported a positive Q2FY27 performance, driven by strong EBITDA growth, significant margin expansion and robust PAT growth, despite a 10.5% YoY decline in consolidated revenue to ₹824 crore (vs. ₹921 crore in Q2FY26). EBITDA grew 44.4% YoY to ₹173 crore (vs. ₹120 crore), with EBITDA margin expanding 797 bps to 21.0% (vs. 13.0%). while PAT surged 135.6% to ₹197 crore (vs. ₹83.5 crore).

Investment Rationale:

- **Strong order book and sustained order inflows provide robust revenue visibility:** EIL is witnessing strong business momentum, with H1FY27 order inflows of ₹7,428 crore and cumulative order inflows crossing ₹8,100 crore by the concall date, surpassing its earlier FY27 guidance of ₹8,000 crore. The order book reached an all-time high of ₹20,421 crore, with nearly 75% contribution from the higher-margin Consultancy segment and approximately 55% from overseas projects, providing healthy revenue visibility over the next 4–5 years. Management expects FY28 order inflows to remain at least ₹8,000–8,100 crore, supporting sustained business growth.
- **Margin expansion and diversification into new growth opportunities to drive earnings growth:** The increasing share of high-margin consultancy projects, coupled with improving execution of LSTK projects, is expected to support margin expansion. Consultancy segment margins stood at 27.7% in H1FY27, with management conservatively targeting ~25% on a full-year basis and indicating potential upside from the execution of the large Dangote refinery project. Further, EIL is strengthening its presence in emerging opportunities such as nuclear energy, coal gasification, strategic petroleum storage, fertilisers, non-ferrous metals and data centres, which could provide additional order inflows over the medium term. Management has guided for FY27 revenue of ₹4,200–4,300 crore.

Rating and Target Price: We expect Revenue and PAT to grow at 13.7% and 17.4% CAGR over FY26-FY28E. We recommend **BUY** on **Engineers India** with a target price of **₹360 per share (based on 23x FY28E EPS).**

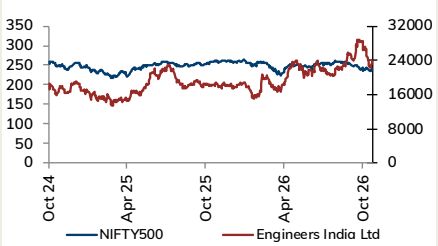
Particulars

	Rs. (in crore)
Market Capitalization	14,338
Total Debt (FY26)	0
Cash and Inv. (FY26)	1,364
Enterprise Value	12,974.0
52-week H/L (Rs.)	321/164
Equity capital	281
Face value (Rs.)	5

Shareholding pattern

%	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	51.3	51.3	51.3	51.3
FII	7.7	9.7	9.2	8.1
DII	13.4	12.2	14.2	16.6
Others	27.6	26.8	25.3	24.0

Price Chart



Key risks

(i) Slowdown in domestic & global capex;

(ii)) Delays in execution.

(iii) shortage of skilled manpower

Research Analyst

Chirag J Shah
shah.chirag@icicisecurities.com

Dilip Pandey
dilip.pandey@icicisecurities.com

Gourav Aggarwal
gourav.aggarwal@icicisecurities.com

Key Financial Summary

(Rs crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenue	3,281	3,088	3,850	8.3	4,273	4,978	13.7
Adjusted EBITDA	297	430	668	50.0	769	927	17.8
EBITDA Margin (%)	9.1	13.9	17.4		18.0	18.6	
Adjusted PAT	445	497	639	19.8	730	880	17.4
EPS (Rs)	7.9	10.3	11.4		13.0	15.7	
P/E (x)	35.3	27.1	24.6		21.6	17.9	
EV/EBITDA (x)	47.6	27.2	20.7		17.1	13.8	
RoCE (%)	23.0	26.4	32.6		27.6	30.0	
RoE (%)	19.7	21.7	20.3		20.9	22.5	

Source: Company, ICICI Direct Research.

Result Update

ICICI Securities – Retail Equity Research

Q2FY27 key results highlights

- **Financial Performance:**
  - Engineers India reported a positive Q2FY27 performance, driven by strong EBITDA growth, significant margin expansion and robust PAT growth, despite a 10.5% YoY decline in consolidated revenue to ₹824 crore (vs. ₹921 crore in Q2FY26).
  - EBITDA grew 44.4% YoY to ₹173 crore (vs. ₹120 crore), with EBITDA margin expanding 797 bps to 21.0% (vs. 13.0%). while PAT surged 135.6% to ₹197 crore (vs. ₹83.5 crore).
- **Order Book & Order Inflow**
  - Order book reached an all-time high of ₹20,421 crore as of September 30, 2026, compared with ₹14,424 crore as of June 30, 2026. Around 75% of the order book is from the consultancy segment, while approximately 55% is attributable to overseas business.
  - H1FY27 order inflows stood at ₹7,428 crore, comprising ₹5,762 crore from consultancy and ₹1,666 crore from LSTK.
  - Order inflows had further increased to ₹8,100 crore as of the date of the call, surpassing the earlier annual guidance of ₹8,000 crore.
  - Management expects to exceed ₹8,000 crore of order inflows in FY27 and indicated that it remains focused on securing additional orders. The company is bidding for projects across domestic and international markets.
- **Segment Performance & Margin Trajectory:**
  - Consultancy contributed 68% of H1FY27 revenue compared with 47% in H1FY26, while turnkey contributed 32% versus 53%.
  - Management expects consultancy to contribute around 60% of FY27 revenue, with the overall business mix generally remaining in the 60:40 range.
  - Consultancy segment margin was ~31% in Q2FY27, with no one-off income or settlement. Management expects to maintain an annual consultancy segment margin of at least 25%, while indicating potential upside depending on project execution and cost progress.
  - LSTK segment margins were lower at around 4–5% for newly commenced projects due to limited cost progress but are expected to improve as execution gathers momentum. LSTK contribution to revenue is expected to increase from 32% in H1FY27 to at least 40% in H2FY27.
  - Management reiterated confidence in maintaining the overall EBITDA margin guidance of 15–16%, supported by a higher consultancy mix.
- **Diversification & New Growth Areas:**
  - EIL is pursuing growth beyond hydrocarbons, while retaining its core hydrocarbon franchise. Nuclear, coal gasification and infrastructure are emerging as key diversification areas.
  - **Nuclear:** EIL is strengthening its internal capabilities and training manpower to participate in upcoming nuclear projects. Current opportunities are largely at the study, environmental impact assessment and initial tendering stages; management expects meaningful order opportunities from the next financial year.
  - **Coal gasification:** EIL is undertaking studies for NTPC and bidding for additional projects following the government's coal

gasification initiatives. Order opportunities will depend on completion of studies, financial closure and project implementation.

- **Green hydrogen and biorefineries:** Management indicated that activity remains limited, with no major projects currently underway. EIL is implementing one CBG plant through its own investment and is evaluating another project.

- **Management Commentary & Outlook:**
  - The company has recently secured a data centre project for Power Grid on an engineering basis. Infrastructure contributes around 20–25% of current order inflows, while the company is also expanding into fertilisers and other non-hydrocarbon segments.
  - **Dangote refinery project**: The ₹4,200 crore Dangote refinery project is progressing well, with engineering activities underway and teams deployed. Management expects the project to support margin improvement, with a fuller contribution to profitability from H2FY27 and FY28. The project is expected to be executed over 4–5 years.
  - **Guidance:** Management expects FY27 revenue of ₹4,200–4,300 crore, supported by the current order book. Management indicated that growth guidance could potentially improve, depending on business conditions and execution.

Financial summary

Exhibit 1: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Revenue	**3,088**	**3,850**	**4,273**	**4,978**
% Growth	(5.9)	24.7	11.0	16.5
Other income	160	209	240	298
Total Revenue	3,248	4,059	4,513	5,276
Employee Expenses	1,024	1,040	1,196	1,388
Other expenses	1,551	2,142	2,307	2,663
Total Operating Expenditure	2,575	3,182	3,504	4,051
Adjusted EBITDA	**430**	**668**	**769**	**927**
% Growth	44.7	55.5	15.2	20.5
Interest	3	2	2	2
PBDT	670	875	1,007	1,223
Depreciation	40	42	47	50
PBT before Exceptional Items	630	834	960	1,173
Total Tax	158	195	230	293
PAT before MI	472	639	730	880
Adjusted PAT	**497**	**639**	**730**	**880**
% Growth	11.7	28.5	14.3	20.6
Adjusted EPS	8.8	11.4	13.0	15.7

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	**580**	**639**	**730**	**880**
Depreciation	39.6	41.5	47.0	49.8
Interest	2.7	2.1	2.4	2.4
Cash Flow before WC changes	622	682	779	932
Changes in inventory	(0.1)	0.2	(0.7)	(0.2)
Changes in debtors	(109)	(35)	(77)	(94)
Changes in loans & Advances	(6.0)	(3.6)	(1.6)	(7.3)
Changes in other current assets	146.8	(77.7)	(166.5)	(50.0)
Net Increase in Current Assets	(238)	(400)	305	(242)
Changes in creditors	32.3	110.6	56.5	108.7
Changes in provisions	(103.1)	16.4	41.2	119.6
Net Increase in Current Liabilities	125	111	149	314
Net CF from Operating activities	509	393	1,234	1,004
Changes in deferred tax assets	23.3	(10.5)	-	-
(Purchase)/Sale of Fixed Assets	(43.9)	(72.3)	(50.0)	(50.0)
Net CF from Investing activities	(232.2)	(191.9)	(165.9)	(200.0)
Dividend and Dividend Tax	(169)	(253)	(337)	(450)
Net CF from Financing Activities	(169)	(157)	(393)	(453)
Net Cash flow	107	66	675	351
Opening Cash/Cash Equivalent	**1,191**	**1,298**	**1,364**	**2,039**
Closing Cash/ Cash Equivalent	**1,298**	**1,364**	**2,039**	**2,390**

Source: Company, ICICI Direct Research

Exhibit 3: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	281.0	281.0	281.0	281.0
Reserve and Surplus	2,388	2,865	3,204	3,633
Total Shareholders' funds	2,669	3,146	3,485	3,914
Other Non-Current Liabilities	30.5	46.9	31.0	31.0
Total Debt	-	-	-	-
Total Liabilities	**2,700**	**3,193**	**3,516**	**3,945**
Gross Block	493	544	593	640
Acc: Depreciation	236	242	289	338
Net Block	257	302	304	301
Capital WIP	45.7	30.8	35.0	35.0
Total Fixed Assets	302	333	339	336
Non-Current Assets	495	500	500	500
Inventory	0.7	0.5	1.2	1.4
Debtors	444.4	479.3	556.4	650.5
Loans and Advances	24.6	28.2	29.9	37.2
Other Current Assets	423	371	491	582
Cash	1,327	1,364	2,039	2,390
Total Current Assets	3,041	3,478	3,848	4,441
Current Liabilities	476	587	643	752
Provisions	650	666	707	827
Net Current Assets	475	801	1,022	1,301
Total Assets	**2,700**	**3,193**	**3,519**	**3,945**

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per Share Data				
Adjusted EPS	8.8	11.4	13.0	15.7
Cash per Share	32.3	33.8	45.8	52.0
BV	47.5	56.0	62.0	69.6
Dividend per share	3.0	4.5	6.0	8.0
Dvidend payout ratio	29%	40%	46%	51%
Operating Ratios				
EBITDA Margin	16.6	17.4	18.0	18.6
PAT Margin	18.8	16.6	17.1	17.7
Return Ratios				
RoE	21.7	20.3	20.9	22.5
RoCE	26.4	32.6	27.6	30.0
Valuation Ratios				
EV / EBITDA	27.2	20.7	17.1	13.8
P/E	27.1	24.6	21.6	17.9
EV / Net Sales	4.3	3.4	2.9	2.4
Sales / Equity	1.2	1.3	1.3	1.3
Market Cap / Sales	4.8	3.9	3.5	3.0
Price to Book Value	5.9	5.0	4.5	4.0
Turnover Ratios				
Asset turnover	6.6	7.5	7.6	8.2
Debtors Turnover Ratio	8.3	8.8	8.7	8.7
Creditors Turnover Ratio	7.1	7.6	7.3	7.6
Solvency Ratios				
Debt / Equity	-	-	-	-
Current Ratio	0.4	0.5	0.6	0.6
Quick Ratio	0.4	0.5	0.6	0.6

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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