



HEIL/SE-10/2026-27

**May 12, 2026**

To,  
The Manager (Listing),  
**The BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
Script Code No. : **543600**

To,  
The Manager (Listing),  
**National Stock Exchange of India Limited**  
"Exchange Plaza", C-1, Block - G,  
Bandra - Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Symbol : **HARSHA**

Dear Sir/Madam,

**Sub : Transcript of Earning Call for the quarter and year ended March 31, 2026**  
**Ref : Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to subject matter and pursuant to regulation 30 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the earning call for the quarter and year ended March 31, 2026 conducted after the meeting of Board of Directors held on May 7, 2026.

The above information is also available on the website of the Company at [www.harshaengineers.com](http://www.harshaengineers.com)

You are requested to take the same on your record.

Yours faithfully,

**FOR HARSHA ENGINEERS INTERNATIONAL LIMITED**

**Kiran Mohanty**  
**Company Secretary and Chief Compliance Officer**  
MEM NO. : F9907

**Harsha Engineers International Limited**

**CIN : L29307GJ2010PLC063233**

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“Harsha Engineers International Limited  
Conference Call”  
May 07, 2026



**MANAGEMENT: MR. VISHAL RANGWALA – CHIEF EXECUTIVE  
OFFICER – HARSHA ENGINEERS INTERNATIONAL  
LIMITED  
MR. MAULIK JASANI – CHIEF FINANCIAL OFFICER –  
HARSHA ENGINEERS INTERNATIONAL LIMITED  
MR. SANJAY MAJMUDAR-STRATEGIC ADVISOR-  
HARSHA ENGINEERS INTERNATIONAL LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Harsha Engineers International Limited Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vishal Rangwala, CEO of the company. Thank you and over to you, Mr. Vishal Rangwala.

**Vishal Rangwala:** Thank you. Hello, good afternoon. Welcome all of you to our Quarter 4 FY '26 Post-Result Update Call. As per the normal practice, I will ask our CFO, Mr. Maulik, who will take us through the detailed key numbers for the result. However, I am assuming most of you would have had a chance to go through this.

And at the outset, before I talk about the results and everything, I just want to kind of quickly summarize what we are as a company and what we do. We are primarily an engineering company with a big focus on the segment called bearing cages where we are a very unique player within the market, having competency in steel, brass, and Polyamide products within bearing cages and a very unique position globally, having all these competency and precision level catering to very good quality bearing companies and their needs for bearing cages.

That is our primary business. Beyond that, we have worked over multiple years with big global bearing companies to outsource and supply them this product globally, and we have earned a very strong market position within India and across the globe as well.

That being the primary product, beyond that, we also operate in the sub-segment of stamping components using our core competency. We also have a bushing as another product portfolio where both those segments, we are growing very well and planning to grow further. We cater to variety of industry through those segments, including renewable as well as automotive, consumer goods, and other industry.

And we are trying to grow business. We actually operate three facilities in India; third one we just commissioned this year in Bhayla. Two facilities, one in Romania, one in China. Through these five facilities, we supply our customer base across the globe.

And we are currently working on growing business in various segment, specifically for us, growing with Japan-based customer, growing the large-size cage business, growing the bushing business, as well as growing the stamping business are some of our big growth drivers as we look at our future.

So this is just to get you up to date on the area we operate. With that little bit of additional background this time around, let me jump to the results this quarter. I am happy to inform our stakeholders that in spite of a current global turmoil which we are witnessing and which could have upset the rhythm of doing business, particularly in quarter four of the current financial, we

have done quite satisfactory and have met most of our internal performance expectation on the key fronts.

I am happy to note that our India Engineering business, including all the key verticals, have done very well in quarter four and financial year 2026. Specifically, bushings have also reported a revenue of about INR127 crores for the financial year 2026, in line with our expectation, posting about 25% growth over last financial year.

In the current year also, we are having a very aggressive growth plan in tune of 25% to 30% in this segment. Our sale of large-size cages grew by almost 14% in FY 2026 and stood at around INR49 crores. Sale to Japan-based customer grew by almost approximately 12% in 2026 and stood at around about INR73 crores. In as much as the large-size cage segment is concerned, we are working very aggressively for increasing our wallet share.

Lastly, if we talk about Japan-based customer, the progress, though slow, is positive direction and we are committed to growing this segment as well. Thus, India Engineering business, which includes Harsha Advantek, which is a subsidiary, has posted a good overall Engineering business India has posted a good overall growth of around 14% in FY 2026, notwithstanding the fact that Advantek, a new unit, is still operating at a low-capacity utilization.

Thus, in FY 2026, export from India have also posted a good robust growth, almost 17% compared to FY 2025. Our export to US have also started picking up duly encouraged by fact that recently additional import tariff on cages has been reduced to zero in US. I am happy to note that capacity utilization in Advantek is improving, and we should see the sale from this unit growing at least 3x in FY '27.

Thus, while this in this current financial Advantek, through having posted a positive EBITDA of INR4 crores, has still reported a combined loss of INR11.4 crores due to higher depreciation and interest. However, the bottom line is also expected to improve considerably in the coming financial year. In spite of this drag in the current year, our India Engineering business has posted an operating EBITDA of around 22% in FY 2026, which is quite satisfactory.

Now let me talk of a foreign subsidiary. As hinted earlier, China had performed well with an overall top-line growth of about 9.26% in FY '26 over FY '25 and has also posted a positive EBITDA of around 11%. As announced earlier, we have already commenced implementation of China brownfield expansion project of steel cages.

We believe that this will significantly strengthen the business presence in China, and we should expand our product portfolio from a predominantly brass-based cages to a good mix of steel and brass cages. This project should come in operation in H2 FY '28, and we should also see some improvement in EBITDA in China going forward.

However, Romania continues to perform below par as it is still having negative EBITDA, resulting into a combined foreign subsidiary losses of about INR11 crores in the current financial or FY '26. However, we are trying our best to improve our product mix by focusing more on cages in Romania from current level of around 22% to more than 30%-35%. We are also pushing our key customers in Romania to increase their offtake from Romania.

We have also started firming up our capex plan for the second phase in Harsha Engineers Advantek, where our focus will be to create additional capacity for our key growth driver verticals. We will be sharing more details as and when the plans are finalized in next few weeks.

Now talking about our Solar business, you might have seen that it has performed very well, achieving strong topline and bottom-line growth in financial year 2026, mainly on account of continued tailwind due to mix of increasing awareness and a good policy support from the government as well as private sector.

Lastly, I feel confident that the current financial year FY 2026-2027, we should achieve an overall double-digit growth in top line, though the growth in India engineering would be little bit more aggressive, somewhat in mid-teens. We are also feeling confident that we should be able to at least maintain our current margin profile through our endeavour.

Though our endeavour is to improve it going forward. I would like to thank you for a continued confidence in Harsha and I would like to ask Maulik to walk us through more detail with numbers. Over to you, Maulik.

**Maulik Jasani:**

Thank you, Vishal Bhai. Hello everyone, and good afternoon. I believe you have already seen the numbers and the presentation we uploaded for the investor call. For the quarter ended March '26, our Engineering segment at consolidated level have achieved top line of INR382 crore and EBITDA of INR77 crore in the last quarter against our adjusted EBITDA of INR64.3 crore in previous quarter and adjusted EBITDA of INR66 crore in the last year quarter four.

While for the year ended March '26, the Engineering segment has achieved top line of INR1,444 crore at consolidated level against the INR1,269 crore last year. We have reported our consolidated EBITDA for Engineering business at INR264 crore. However, our adjusted EBITDA is around INR270 crore if we adjust it for new Labour Code impact, while last year adjusted EBITDA was INR227 crore for our Engineering segment.

For the quarter and year end, we observed margin has improved, as defined by Vishal Bhai, mainly on account of the higher export sales and strong India demand, followed by the better product mix and cost control. We also have a positive impact on financial earning as well as ERF. Solar business have achieved revenue of INR183 crore for the full year with a PAT of rupees INR10.2 crore for the financial year '25-'26 against the adjusted PAT of INR5 crore last year.

Our overall working capital cycle at consolidated level remain around 130 days at the year-end against the 134 days in the previous quarter and 127 days in the previous year. We have incurred capex of INR120 crore in the full year and around INR20 crore in the last quarter at a consolidated level.

Our Bushing business has achieved INR127 crore as Vishal Bhai has mentioned. Just one correction, our combined loss of subsidiary company in the current year is INR9 crore, not INR11 crore which has been said. And previous year it was INR14 crore.

- Sanjay Majmudar:** INR11 crore is on the Advantek part.
- Maulik Jasani:** And with this brief on the financial numbers, I request operator to take the Q&A from the participants. Thank you.
- Moderator:** Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and then one on their touch-tone phone. If you wish to remove yourself from the question queue, you may press star and then two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Again, to register for a question, please press star and then one now.
- Our first question comes from the line of Vaibhav Shah from Equirus Securities. Please go ahead.
- Vaibhav Shah:** Yeah, hi. Congratulations on a good set of numbers. My first question is on the 27% revenue growth reported during the quarter. So, could you provide some color on the contribution from pricing versus the volume growth? And were we able to fully pass through the commodity inflation of the previous quarters?
- Sanjay Majmudar:** Quarter-over-quarter? Q4...
- Vishal Rangwala:** Hi, thanks, Vaibhav, for your question. And first of all, 27% growth which you have observed is a consolidated growth. And major contributor is our Solar business over there, which has grown almost 100% plus. INR91 crore is the last quarter number. While our Engineering business growth is 15.7% -- similar year-over-year numbers. So just to break down this number for your benefit, 27 is including Solar, and if I remove the Solar business, it is 15.7%.
- And on your questions for the pass-through mechanism, yes, it is very well-established pass-through mechanism with the customer. So as per the -- our agreed lead period, it automatically pass through to the customers. Different customers has a different lead period. But effectively you can say that on an average on four months everything gets passed through.
- Sanjay Majmudar:** Just one clarification, Vaibhav, our Engineering consolidated India business including Advantek is about 16.6% quarter-over-quarter. INR28 crore is the Q4 contribution of sales coming from Advantek.
- Vaibhav Shah:** Thank you much. Right. Was it entirely driven by the volume growth or was there some pricing benefit as well?
- Vishal Rangwala:** Majority is driven by volume growth considering that the last quarter, which is September to December, if you observe, there has not been a significant material movement. The movement started at the end of December and rain up to around February or March for the metal prices, including brass.

**Vaibhav Shah:** My second question is on the India Engineering business. So, while we saw the strong performance in FY26 and primarily driven by the exports, while the domestic revenues witnessed relatively modest growth. So, could you help us understand the key drivers behind the strong export growth as well as the reasons for the softer domestic performance? And it would be great if you could elaborate in terms of the end-user industries and the customer segments?

**Vishal Rangwala:** Yeah. So, from our point of view, the growth in export is driven by improving market, industrial global market, improving European market as well as US market because of the -- specifically, the tariff impact. So, we that -- those were the factors supported the global market growth and things like that.

Other factor on the domestic market, I think that has also grown very well according to us. Maybe one of the factor which is masking -- that is potentially the by-product sales, which might be masking that partially basis of the numbers. But overall, we are confident, including India growth as has been very robust in FY26.

So, just to add, India Cage business has grown by more than 10% on a pure India-to-India Cage, okay? That's almost 11%. And then there is further growth in India level supported by our Bushings business and our Stampings business. These two have propelled. So, it's not like only Bushings or Stampings have grown. It is Cage also have grown good volume.

**Vaibhav Shah:** Understood. And sir, lastly, could you share your capex plan for the FY27 and FY28?

**Vishal Rangwala:** Yeah. So, we are in process of, you know, fully finalizing all the details of our capex plan. Right now, we are already what we've finalized or what we are already looking at is about INR30- INR40 crore of maintenance capex in India in this current financial year. And my assumption a very similar number would be there next year.

Also, you are aware that we are, you know, we've started the China expansion project and declared an investment there. So, reference to that, about INR70 crore capex is expected to be executed in current financial year and further INR20 crore we are expecting next financial year. These are some of the things which are already clearly firmed and finalized. And there are other things which we are still working on, we what we are expecting that based on the various planning and activity, we may we will potentially add to this, but it is still under process.

**Sanjay Majmudar:** So, it's predominantly, as he said in his speech, the second phase of Advantech, we are starting to work on the desks and probably in next few weeks, the plan will be frozen. But the work will start this year itself.

**Vaibhav Shah:** Understood, sir. Understood. Thank you very much for answering my question. I will get back in the queue.

**Moderator:** Thank you. Your next question comes from the line of Jason Soans with IDBI Capital. Please go ahead.

**Jason Soans:** Yeah, sir. Thank you so much for taking my question. So, my first question just pertains to the Romania and the China subsidiaries. I just wanted to know the absolute revenue numbers for

whole of FY26 for Romania and China both, and if you could also possible give the PBT numbers as well?

**Maulik Jasani:** Okay. Sure. We already shared that combined loss is INR9 crore for China and Romania, but I am happy to share the independent number also, which we will definitely publish also once annual report's uploaded. Our Harsha China has done turnover of around INR120 crore with a profit of around INR5 crore as a Profit After Tax. And Harsha Romania has done turnover of around INR247 crore with a profit after tax around INR14 crore loss.

**Sanjay Majmudar:** Loss. 14, correct.

**Jason Soans:** Sure, sir. So the revenue is INR247 crore and loss is INR14 crore for Romania, and China revenue is INR120 crore and PAT is INR5 crore. Correct, sir?

**Maulik Jasani:** Correct. Correct.

**Jason Soans:** Okay. Thank you so much for that. Okay. Sure. And sir, my next question just pertains to in terms of the demand situation, you know, if we go back two-three quarters, the situation in Europe was pretty weak. Now, now just wanted to know, and Europe being a key market for us, just wanted to know how is the demand situation right now in Europe, specifically, you know, pertaining to the Europe subsidiary.

**Vishal Rangwala:** So, last whole year, we are seeing demand has slowly improved over the year. And specifically for the European subsidiary also, the demand is continuing to improve. Right now, the indications are that it is all positive, growing, and we need to how we turn around the situation from a cost as well as pricing and, you know, all those profitability point of view is our main concern. Overall, we see very positive indication from our customer for our subsidiary in Romania.

**Jason Soans:** Sure, sure. So, things definitely have improved from what it was. So that's heartening to know. That's good. And sir, actually I just missed out on one question. I mean, regarding the Romania and China subsidiary. So, combined, of course, now Advantech also is in the mix. So I understand that. So a combined when you look at the loss, on a combined level of subsidiary, it's around 21.6 crore to be precise.

Of course, it will be a combination of Advantech as well as the China and the Romania entities. Now, just wanted to know, sir, when you look going ahead, '27, '28, are we definitely on a trajectory to basically reduce this losses going ahead because we have done a lot of work on the Romanian subsidiary as well, you know, in terms of restructuring, and China is doing well, Advantech also will ramp up. So, understanding is probably there should be a quick ramp up, I mean, a decent ramp up of all these things and probably losses will get to reduce considerably going ahead, '27, '28?

**Maulik Jasani:** Yeah, Jason, I think it's covered by Vishal in his introductory speech also that this year Advantech has a loss of around INR11.5 crore or more because of the first year of operations and mainly despite of positive EBITDA, there is a loss on account of higher depreciation and

interest on the loan we have taken over there. Gradually this will reduce because the utilization will increase in this year. We expect it to be more positive trend this year at an Advantech level.

While China is already in a positive territory and will increase over there. And the Romania, our discussion is already on with customer and we are hopeful this year to reduce this loss further compared to what we, we already reduced this year compared to last year and further we will reduce in the coming period.

**Sanjay Majmudar:** So exact quantification may be difficult, but definitely there'll be reduction. For sure. Significant reduction. For sure.

**Jason Soans:** That's, that's okay. Okay. That's very heartening to know, sir. That's good. And sir, again, when I, so I spoke to you about the situation, now I just wanted to know the situation domestically, you know, the likes of our Big 3 in terms of the bearing manufacturers, localization, capex. How do you see demand for that on the ground?

**Vishal Rangwala:** We see very positive picture. There our customers have, you know, significantly ramped up their demand and capacity in India, responding to probably all the signals from automotive as well as industrial market. And further we feel that they will there will be another round of investment to cater to the existing or upcoming demand from our customer are the indications we see.

So, we are very bullish. There could be impact of, you know, current war and petroleum prices and all that. That could have some impact from a short-term point of view, we don't know that yet. But overall, they are very bullish and working towards growth and we are, you know, we are banking on that to continue our growth journey in domestic market.

**Jason Soans:** Okay, so things seem to have improved then. In the mid-term, it was looking a little slow, you know, with all the restructuring, particularly one customer, one entity, and all those. So now it is picked up? The demand and all you are seeing good, good demand trends going ahead?

**Vishal Rangwala:** Right now we see good traction.

**Jason Soans:** Yeah, yeah. Sure. And just finally, sir, I'll just join back the queue. Sir, just wanted to know in terms of as per geography, how do we -- now, of course, in the presentation you can see that on a consol level, 58% of revenue is outside India. So 42% is basic I'm just talking about '26 for the year '26. So 42% stays within India. And how is the other breakup, sir? How do you just wanted a breakup of the geographies, what, what contributes to the total revenues?

**Maulik Jasani:** We already spoken in past on this, Jason. Our majority geography outside India is Europe, followed by China, America, Japan, and others. Europe usually contribute on a larger scale because there is a casting sale also from Romania in Europe and that also part of our overall top line. Usually, Europe in this bifurcation is in total sales is around 19% in the total sales. And China and America will be around 10% plus and others will be there.

This is sorry, my bad, my bad. Europe is around 30%, my bad, I'm just correcting myself. Europe is around 30% in the total sales, and China and America, China is more than 10%, America is around 6% and followed by Japan and others.

**Jason Soans:** Sorry, sir. So China and US are 10% each and Europe is 30% you said?

**Maulik Jasani:** Yeah, China is little, little higher than 10% and US is around 6%-7%.

**Jason Soans:** And Japan is?

**Maulik Jasani:** Japan is still not significant, around 2% plus.

**Jason Soans:** 2%. Okay. Sure. Thanks for that. Thank you. Thank you so much. I'll join back the queue.

**Vishal Rangwala:** Okay.

**Moderator:** Thank you. Your next question comes from the line of Jaymin from ARDEKO Asset Management. Please go ahead.

**Jaymin:** Thanks for taking my question. The first questions on, can you break down the full year export growth into the three buckets? One is from the recovery in an end market, be it Europe or the US, wallet share gains within existing customers or the geography, and any new commercialization...

**Maulik Jasani:** Jaymin, your voice is breaking.

**Jaymin:** Hello, can you hear me?

**Moderator:** It's sounding a bit muffled right now.

**Jaymin:** Can you hear me now?

**Moderator:** It is slightly better, sir. If you're using any other mode, may I request you to use the handset mode, please?

**Jaymin:** Sure. Now it is better?

**Moderator:** Sure. Just give me one moment, sir.

**Jaymin:** Yeah. Can you hear me?

**Moderator:** Yes, Jaymin sir, please go ahead.

**Jaymin:** Yeah, hi. Hi, Maulik sir. Can you just break down the full-year export growth into three buckets? One, is on the recovery in the end market, which is Europe or the US? Second is the wallet share gain within existing customer, or the geography. And any new commercialization in new programs for the geography?

**Maulik Jasani:** No, Jaymin, we do not share this data to the investors, and basically, we already given a good amount of breakdown of our export sales in the previous question itself.

- Jaymin:** I just want to understand, I mean, the growth we have seen for the full-year basis, is it more led to the recovery, or I mean, breakthrough into new geographies, new program within existing customers?
- Maulik Jasani:** It's a mix of both. It's a mix of both. All three items are there, you are right, but we cannot give further breakdown to it.
- Jaymin:** Okay. And when we are seeing, I mean, mid-teens, kind of, growth for the coming year, I mean, India Engineering business for the FY27, how should we think about the contribution from export, Advantek ramp-up, or the domestic demand?
- Maulik Jasani:** I think, Vishal has already covered in his speech. We expect India to continue to grow in a higher-teen or mid-teen to higher-teen, and that will be contributed by both India growth, as well as our export growth will continue. That's the expectation.
- Jaymin:** Okay, okay. And one piece when you just look at, I mean, your customers' performance, right now they are using a pricing action to offset inflation pressure in there, I mean, respective geographies. Have you seen any change in sourcing behaviour or the localization driven is benefiting you, I mean, that is going to benefit you from the near to medium-term?
- Vishal Rangwala:** So, Jaymin, I think what you are trying to say that our customers are looking at us only to offset their pricing, actually that's not correct, because through our competencies, we have now become an indispensable partner with them, because we play a very important role in helping them grow their product portfolio by making sure that cages are always available.
- Sir, as you know, cage is about 5% of the total bearing cost in terms of value. Now, the problem here is that the customer, the big players have stopped investing in new facilities or upgradation of their facilities over a period of last many years, whereas, we have a massive advantage of volume accumulation. So, we have done absolutely up-to-date upgradation of technology, skill set, manufacturing capacities, everything.
- So, it is not only the cost part, but it's the speed, the development, at which if they want to develop a tool, they might take much longer time, we do very quickly. The cost, at which we are able to develop that new tool, I think all these factors become very critical. And this is one product where a customer does not do any further processing. If you look at inner ring, outer ring, anything they do grinding, but a cage, they directly put it in the bearing and it's a very important component. So, I think cost is a very, very, I would say today cost is important, but not the barometer for them to consider.
- Jaymin:** No, sir, I understand. My question was different. My question was, I mean, the part of the customer, they are facing inflation in the cost front, and right now they are offsetting cost inflation through the pricing piece. They are not, I mean, doing lot of, I mean, vendor consolidation, or any change in the sourcing piece. Anything you are seeing from your side that will benefit you in terms of your vendor consolidation or increasing outsourcing?
- Maulik Jasani:** So that's an ongoing project, Jaymin. As we've already informed you, outsourcing is the areas, which is more beneficial to them whenever there is a global scenario or global challenges, and

it's an ongoing thing. There is nothing specific, which we have to announce today. But, yeah, new product development and outsourcing activity is an ongoing activity and pricing pressures are in our favour.

**Jaymin:** Okay, sir.

**Maulik Jasani:** Yeah.

**Jaymin:** Thank you so much, sir. That's it from my side.

**Maulik Jasani:** Thank you, Jaymin.

**Moderator:** Thank you. The next question comes from the line of Jay Shah from Genuity Capital. Please go ahead.

**Jay Shah:** Hi. Congratulations for a good set of numbers. I had two questions, sir. One, was on the Advantek subsidiary. What in your estimate would be the timeline to ramp it up to the maximum capacity, and what is the ballpark figure in terms of top line that Advantek can contribute?

And second question is, sir, this is a bit longer term over the next two, three years, I mean, keeping aside the current volatility, but since we are into precision components also, and apart from that bearing cages, the capex cycle that we are seeing locally and even globally. So, what do you see is going to drive Harsha's growth as a company for over a two, three-year period, what components or rather what end sectors do you think are going to help Harsha achieve the long-term goals?

**Maulik Jasani:** Okay. Let me take your first question, Jay, about the Advantek optimum capacities. So, Advantek is still in a growing and fixed asset spending stage. But what I can say you is based on the current installation capacity, we expect it to reach to the peak in next two years, the current install capacity. But we also expect it to get into the next phase of expansion also meanwhile.

Hence, it is difficult to give you precise answers, but with the current install capacity, we expect it can give us around INR250 crores to INR300 crores turnover, and as I just said, this will further enhance as we further go for expansion in our Advantek subsidiary. And on your second questions about the growth and area where we can grow better, I ask Vishal bhai to give you more insight.

**Vishal Rangwala:** Yeah. So, for us, Jay, cage is important growth driver and within that we've identified that increasing the outsourcing, or wallet share through in-sourcing to outsourcing is a very big growth driver for Harsha. And within that large-size cages is there. We see that lot of manufacturing is moving to India, which should also additionally benefit Harsha bearing manufacturing moving to India.

So, we are also bullish on bearing industry growth, and within that additional growth coming to Harsha based on the outsourcing, as well as re-sourcing, as well as more India manufacturing and us having a big share of market in India and so on. So, cage is a big growth driver for us, including even we consider Japan-based customer growing wallet share with them.

Beyond bearing cages, we expect at least stamping component and bushing business to also grow much faster. We are expecting from a mid-term basis at least 15% to 20% growth in these two segments, we are expecting because we are investing in new capacity, additional product portfolio even in these two product lines.

So, right now, we expect that all three established, currently established product lines should give us, deliver a good growth numbers. And then further, we are looking at expanding this portfolio beyond. But in a short to mid-term, these are all good growth drivers for us.

**Maulik Jasani:**

So just to quickly add to complete the story, as you would have seen in the presentation, we have given the data of SKUs that have been developed every year, so about 500, 600 new SKUs. One SKU is one particular type of product, which has strengthened my SKUs to beyond 8,000. Now, these are the new products, which are the pipeline for us going forward, and that is an indicator that how the pipeline is quite robust.

On the bushings also and stampings, we are developing new products, new variations, multiple variations. So, we are feeding the pipeline there also. I think the serviceable market is much bigger, and we should continuously see at least at the India engineering level a minimum 15% growth year-over-year in a normalized situation. We don't find any problem, whereas the bearing industry per se globally doesn't grow more than maybe 7% to 8%. This is where we are.

**Jay Shah:**

Understood. Understood, sir. Thank you so much for the detailed answer. Just one more follow-up on the same, sir. Since you said that, you know, in-sourcing is a big strategy and a lot of manufacturing is moving to India and since Harsha is already, you know, engaged with all the bushing, bearing majors of the world, is there any discussions with all these bearing majors to, you know, given Harsha's capabilities, that more and more parts apart from bushings and even caging's and other components that they are looking at more parts to give to Harsha, given your capabilities and your relationships?

**Vishal Rangwala:**

So we, you know, we are not really going beyond, you know stamping products with our customer. So at times, we expand our portfolio with our customer beyond bearing cages and we've successfully done that, but primarily that would mean stamped product beyond bearing cages and few other products.

We do not really intend to majorly as we speak today, you know, we are not we are not, having a strategy to go into any other specific bearing components beyond cages and, you know, related stamping and other components. This may change, but right now that's our, you know, stated position.

**Management:**

And there is a reason, I have a very big headroom for growth. So if in India my wallet share is say 70%, 80%, 90%, overseas, within all these big customers, the wallet share varies from 10% to 20% on the three established old relations and maybe 2% to 3% with Japan-based customers. So, I can grow the wallet share a little bit where there is more business. So at this point in time, of course, we have diversified into bushings and stampings which are related, but in cage we are focused to take maximum wallet share, going forward.

**Jay Shah:** Understood, sir. Superb. Sir, what was the reason, if I may ask, that over the last few years that we couldn't ramp up the wallet share? Were they looking for facilities outside India, I mean, basically closer to their end customer or factory? And was that the reason that we couldn't scale up and that's why we are putting more money now in Romania and China?

**Vishal Rangwala:** So, I think primarily the market, the last few years we faced the big challenge of de-growth in our biggest market of Europe and little bit in China side, specifically and even little bit US last year. Now having said that, you know, they, they have started coming back so partially our growth is driven by that and also our growth currently is driven by all the new additional wallet share we won during that time, but realization got delayed and now they are into execution.

So, we, we don't see that as a challenge, but as a, as a wallet share de-growth, but more of we couldn't move the wallet share and the market softened over a, our big, our biggest market softened over last couple of years.

**Jay Shah:** So, sir, would it be fair to assume in Europe like it has happened in chemicals and even in some cases casting forgings, a lot of big players have gone out of business, has our sector also seen some consolidation and that's why we are now more confident to get incremental wallet share?

**Management:** Yes, you're right. I can't share any specific names, but yes, there is some consolidation and that is also driving our endeavour to, you know, increase our wallet share. You're right.

**Jay Shah:** Understood. Thank you. And just as a last question, if you could throw some light on sectors that are really doing well in India and Europe. End sectors as you would be speaking to your customers and their customers over a medium to long term.

**Vishal Rangwala:** So, you know, we are seeing as I said overall also across, I mean, without going into subsector, industrial has been doing very well last six months plus and current indication is that that should continue. And we are seeing good growth on the automotive side specifically India and some potential green shoots on the automotive across the globe, but not very clear about that one.

In general, as yet wind has not picked up in Europe, which we are, one of the factor of, the plant in Romania facility is quite focused on was quite focused on wind as a primary market. So that is not yet a great news, but beyond that, we are seeing industrial sector across the Board growing and supporting even we are seeing positive signs of railway in India and across the globe some factor orders coming in specific to that and so on.

But I we again -- we would not have a very sharp insight into a sub-segment because at the end of the day we supply to customer who assembles it and gives it to a sector or industrial or automotive. So that's a little bit of limitation from our side to be able to clearly tell you that.

**Jay Shah:** Understood, sir. Thank you so much for answering all the questions in detail. All the best for the future.

**Vishal Rangwala:** Thanks, Jay bhai. Thanks.

- Moderator:** Thank you. The next question comes from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Sir, if you look at our two last two financial years, we have been capex to the tune of closer to INR210 crore for FY '25 and INR120 crore for FY '26. And now the plant and the property plant and equipment closing balance is at INR615 crore. So at peak utilization levels, what should be the likelihood number? I think so now with the inflationary trend, what should be the revenue trajectory that we are anticipating or how should we look at this number of INR300 crore translating into the business opportunities going ahead?
- Management:** So, before Maulik bhai, gives you specific answer, one thing. The new capex of Advantek also includes the fundamental infrastructure development, which will not immediately translate into a fixed asset multiple, as a revenue multiple. But yes, Maulik.
- Maulik Jasani:** That's right. And that's why, Mr. Saket, if you see our overall plant and machinery is obviously the net block you have seen. But considering the capability and followed by our maintenance capex, we expect the current set of business can easily reach us at India level around INR2,400 crore to INR2,500 crore. And console level can be around INR2,700 crore to 3,000 crore, depend on what kind of capacity we look into. Because at console, we also have a casting capacity, which is an independent capacity from the cage. This is the input to your questions, Mr. Saket.
- Saket Kapoor:** Sir, last year, we did around, I think, so more than INR100 crore for the bushing segment. So what have we outlined for the current year? How are the order books for the bushing segment in particular?
- Maulik Jasani:** Yeah, Vishal bhai has already covered in his introduction. And the expectation this year, is also to continue similar growth trajectory of around 25% to 30%.
- Management:** We did INR127 crores in FY '26?
- Management:** In bushings.
- Saket Kapoor:** And in the cages part also, sir, I think for the large cages, we were finding it more headwinds going ahead, correct me there. So in terms of the product profile, which segment are you seeing better opportunities and how should the category perform?
- Management:** Large size cages have done about INR50 crores, 14% growth this year. We expect at least this segment to keep on growing in mid-teens without any problem, 15% to 20%, no issue. Lot of things are in pipeline.
- Saket Kapoor:** Okay, sir, as you alluded to the earlier reply that we are anticipating mid-teen growth for the current financial year. So and what should be the EBITDA margin trajectory?
- Maulik Jasani:** EBITDA, we do not know, sir. We continue to say, Saket, the blended EBITDA only, but we expect our EBITDA, as you must have seen in the last few quarters, it has improved and we expect it to continue to improve marginally. And over the period of 2 to 3 years, our expectation is overall increase of 100 to 200 basis points in our EBITDA.

- Management:** At the console level?
- Maulik Jasani:** At the console level.
- Management:** India has been consistently doing about 20%, as you know.
- Maulik Jasani:** We have already given these inputs before.
- Saket Kapoor:** Okay, sir. All the best to the team, sir. And this time also, we are coming up with our AGM also earlier. So a lot of insights and annual report would be at our disposal much early than what it used to be. So, thank you for the team for looking into this.
- Management:** Appreciate your input. Thank you, Saket.
- Saket Kapoor:** All the best. Thank you. Namaskar.
- Moderator:** Thank you. Your next follow-up question comes from the line of Jason Soans with IDBI Capital. Please go ahead.
- Jason Soans:** Sir, thanks for taking my question again. Sir, just wanted to know the absolute value of the stampings revenue for FY '26?
- Maulik Jasani:** Stamping absolute value. Around INR60 crore.
- Jason Soans:** It's INR60 crore. And this is also expected to grow by 20% at least next year?
- Vishal Rangwala:** Yeah, yeah. It will grow better. Yeah.
- Jason Soans:** Okay. Okay. Sure. And sir, just a follow-up question. I just wanted to know, I mean, again when I go to the past, you know, I spoke about this, the Europe demand was weak, now we are seeing situation improving on the ground. Just wanted to know, sir, what is your thought on the because it's a very important market for us, what is your thought on the sustainability of this demand, has something changed on the ground that, you know, demand trends are coming back? Just wanted some color.
- You've done a lot of restructuring etcetera as well, is that working out well or has the macro situation improved? Just give us some color on the demand situation in Europe and how sustainable this can be?
- Vishal Rangwala:** So as I've said earlier, Europe is slowly improving, there is no like a definite like a big stroke of improvement. We are seeing slow sustained improvement happening in Europe from a demand point of view. On the, you know, some improvement and structuring, we still see that there is an ongoing work, we don't have completely we are not done yet and there is lot of still pending work within that in terms of creating a right cost structure in Europe.
- We are continuing to face massive inflationary pressure in Europe, which is also adding to this whole challenge. So, from an overall outlook, we are bullish on the demand side of it. We are we are seeing, I think someone was mentioning about, you know, there are because of the

downturn and the inflationary challenges lot of companies have, you know, has an impact and, you know, we are hopefully so far surviving, but we are also evaluating can how long we can do with this kind of negative margins.

So how we can quickly improve on the operational side further and also, we are looking to improve on the top line faster, that's the intent. Having said that, I don't have a very clear direction or, like, an input from our customer on that demand improving to the level needed immediately, and we are continuing to work on the cost side of it. So again, a very hazy picture, but that's what we are working with right now. But very hopeful and positive.

**Jason Soans:** Okay, sure. And sir, just wanted to know in terms of bushings you have seen very good growth and expectations are also for a good growth ahead as well. So, what is driving this growth in the bushing space? 25-30% is very healthy. So just wanted to know what is driving this growth, sir, on this front?

**Vishal Rangwala:** So, this is primarily there is a conversion of design. So, in the wind market, wind gearbox, there is a conversion happening on a so if you look at a planetary gearbox, the planets which were earlier using bearings are now using bushings and that is driving this drastic growth. So, the underlying market is roughly the same or maybe growing, the wind market specifically in India, but it's the growth is driven by more and more design coming under the bushing concept vis-à-vis the earlier design of bearing concept.

**Jason Soans:** Okay, sure. So that's more driven through a design change, which is good. Okay. Okay.

**Vishal Rangwala:** Substitute market.

**Jason Soans:** Yeah. Okay. Sure. And sir, just in terms of stampings, I would just assume that in terms of end-user markets, it will be again varied between automotive and industrial. Is my understanding correct?

**Vishal Rangwala:** Correct. It's a whole lot of automotive, industrial, railway, as well as we work with one big chunk is going into consumer goods, white goods. So, we are making big growth driver for us, one of the big growth driver for us is air-conditioning compressor components, as well as white goods, like a home appliance some of the stamping components for that, and that is, you know, driving that growth.

**Jason Soans:** Okay. White goods is okay, so it goes into white goods as well, which is pretty good. Okay, with the AC market also going to expand. Okay, that's good, sir. And just finally, sir, wanted to know, I mean, in terms of the Middle East crisis, we have seen this of course. Now, just wanted to know any issues during the quarter in terms of any logistical issues, shipping, or any raw material price increases going ahead. Do you envisage anything impacting us adversely?

**Vishal Rangwala:** I think there is definitely an impact on the cost side of it which we are trying to mitigate. I don't have a clear answer on that to what extent and where, but it is we are seeing the impact across the board on the input side of the, you know, specifically when we use some of the oils, lubrication things in the in our production, that all cost has a cost impact. Our plastic cage

material obviously has gone up. That is also an issue which we are dealing with or addressing it, countering it, or passing on, working on passing on.

But on the logistics front, so far, we have not seen any impact, specifically because if you remember this whole Suez Canal crisis happened about two-three quarters back and anyway shipping route had taken the hit and impact a few quarters back. So that that route shipping route has remained clear of current immediate crisis for us, at least.

**Jason Soans:** Okay, sure. Considering that also, sir, I mean you see margins you can basically improve from here on. I understand there is this could be a near-term pressure, but even considering this you can expect going ahead we can basically improve margins or at least maintain margins current margins?

**Vishal Rangwala:** Our intention is that. There is definitely pressure on other material. Yeah, on the input material for sure.

**Jason Soans:** Sure. Thank you so much for this time, sir. Thank you. Thank you so much.

**Maulik Jasani:** Thank you, Jason.

**Moderator:** Thank you. Your next question comes from the line of Hiten Boricha from Sequent Investments. Please go ahead.

**Hiten Boricha:** Yeah, thank you for the opportunity. Sir, mostly my questions has been answered. So, you mentioned a growth will be around in mid-teens for India as well as for overseas business. So, I just wanted to know the number on the solar segment. We have did a very good growth on the solar segment from INR140 -- INR140-odd crores to around INR185 crores. So, can you share the number on that? Solar growth.

**Maulik Jasani:** So, we expect solar also to continue grow well. I think you are asking for the solar growth estimates, right?

**Hiten Boricha:** Yes, sir. I think it's grown around 30%-35% right?

**Maulik Jasani:** So solar is also in the tailwind side, and solar will continue to grow because the government policies are much favourable, especially in Gujarat territory, and we expect it to grow more than 25% also going forward.

**Hiten Boricha:** Okay. And with that growth, EBITDA margin should improve from current level, right, sir? It has seen a very good operating leverage from 4.5% to 8.5% level in FY '26. So, it should improve there as well, right, sir?

**Maulik Jasani:** We expect solar to maintain the last year reported EBITDA margin, maybe marginal improvement over there.

**Hiten Boricha:** Understood, sir. Yeah, yeah. Thank you.

**Maulik Jasani:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Vishal Rangwala for closing comments.

**Vishal Rangwala:** So, thank you very much everyone for attending this conference. Appreciate your time so late in the day and thank you and have a good evening.

**Maulik Jasani:** Thank you.

**Moderator:** On behalf of Harsha Engineers International Limited, that concludes this conference. Thank you everyone for joining us and you may now disconnect your lines.