Engineers India Limited (EIL)

Q1FY27 Result Update | **Civil Construction (Consultancy & EPC)**

Engineering India's Scale

DALAL & BROACHA STOCK BROKING PVT. LTD.

Equity Research Desk

18 August 2026

Rating	TP (Rs)	Up/Dn (%)
BUY	**307**	**25**

Market data		
Current price	**Rs**	**245**
Market Cap (Rs.Bn)	(Rs Bn)	138
Market Cap (US$ Mn)	(US$ Mn)	1,439
Face Value	Rs	5
52 Weeks High/Low	Rs	267 / 163.55
Average Daily Volume	('000)	1,398
BSE Code		532178
Bloomberg		ENGR.IN

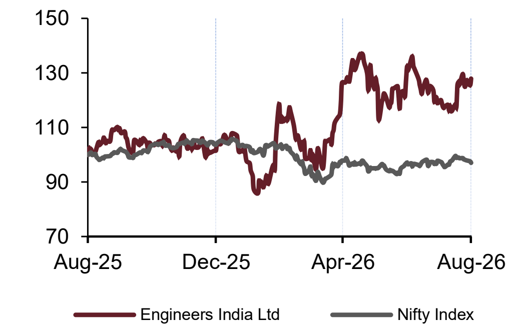
Source: Bloomberg

Engineers India Ltd reported a strong Q1FY27 performance, with PAT rising 55% YoY to Rs. 1.09 bn despite a 7% YoY decline in revenue to Rs. 8.01 bn. EBITDA grew 49% YoY to Rs. 1.55 bn, with EBITDA margin (excl. OI) expanding to 14.8% from 8.1% in Q1FY26, driven by a favourable shift towards higher-margin consultancy. Consultancy revenue grew 22% YoY to Rs. 4.99 bn, while turnkey (LSTK) revenue declined 33% YoY to Rs. 3.02 bn as execution of certain large projects tapered off. Management expects recently secured turnkey projects to gain execution momentum from Q3/Q4FY27, while consultancy is expected to remain the key growth driver.

Consultancy margins stood at 24% in Q1FY27, with management expecting the segment to sustain 24-25% margins and contribute ~55% of FY27 revenue. The order book stood at Rs. 144.2 bn as of June 2026, including Rs. 105 bn of consultancy orders, providing strong medium-term revenue visibility. Despite reported Q1 order inflow of Rs. 5.14 bn, management indicated that YTD order inflows has reached ~Rs. 27.5 bn, including ~Rs. 11 bn from overseas, and retained its Rs. 80 bn FY27 order inflow target. Management remains confident of >10% FY27 revenue growth, implying revenue of ~Rs. 42 bn, while maintaining its Rs. 50 bn FY28 revenue target.

The overseas business continues to provide an important growth avenue despite a challenging Middle East environment, with EIL securing >Rs. 5 bn of orders from the region. EIL is also seeing increasing traction in nuclear, coal gasification and selective infrastructure projects, broadening its opportunity pipeline beyond traditional hydrocarbons. Management maintained FY27 operating margin (EBIT ex-other income) guidance of ~16%, with potential upside from pending change-order settlements, while reiterating its confidence in the medium-term growth outlook.

One Year Performance



Source: Bloomberg

% Shareholding	Jun-26	Mar-26
Promoters	51.32	51.32
Public	48.68	48.68
Total	**100.00**	**100.00**

Source: Bloomberg

Financial Summary

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
Net Sales	32,322	30,284	38,499	43,170	54,700
EBITDA	2,833	4,890	6,681	6,588	8,983
Margin (%)	9%	16%	17%	15%	16%
PAT	**3,570**	**4,652**	**6,388**	**6,304**	**8,192**
Growth (%)	4%	30%	37%	-1%	30%
EPS	6.4	8.3	11.4	11.2	14.6
P/E (x)	38.5	29.6	21.5	21.8	16.8
EV/EBITDA (x)	43.7	25.1	18.3	18.4	13.2
ROE (%)	15%	18%	21%	19%	21%
ROCE (%)	11%	17%	20%	18%	21%

Source: Company, Dalal & Broacha Research

Key Risks:

- Slowdown in domestic & global capex
- Delays in execution
- Delays in Middle East project execution (no project cancellations)
- Shortfall in skilled labour

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Conference Call Highlights

Consultancy mix to remain the key driver of margin expansion:

- Consultancy revenue grew 22% YoY to Rs. 4.99 bn in Q1FY27, with **management expecting FY27 consultancy revenue of Rs. 23-24 bn** and ~55% contribution to overall revenue.
- Consultancy segment margin stood at 24% in Q1FY27, with management confident of sustaining 24-25% margins versus ~7-8 % for Turnkey (LSTK).
- The rising consultancy mix remains the key driver of EIL's structural margin improvement.

Turnkey (LSTK) execution is likely to pick up from Q3/Q4FY27:

- Turnkey revenue declined 33% YoY to Rs. 3.02 bn in Q1FY27 as execution of certain large projects tapered off.
- New turnkey orders secured over the past three quarters are currently at an initial execution stage, with **management expecting execution to accelerate from Q3/Q4FY27**.

FY27 revenue growth remains intact despite weak Q1 execution:

- Management maintained its guidance of >10% FY27 revenue growth, **implying revenue of ~Rs. 42 bn+** versus ~Rs. 38.5 bn in FY26.
- Consultancy growth is expected to remain higher than LSTK growth, with the former expected to contribute ~55% of FY27 revenue.
- Management expects the recently secured turnkey projects to gain execution momentum from Q3/Q4FY27, supporting the recovery in overall revenue growth.

Rs. 144.24 bn order book provides strong medium-term visibility:

- Order book stood at Rs. 144.24 bn as of June 2026, comprising Rs. 104.98 bn of consultancy and Rs. 39.3 bn of turnkey orders.
- Consultancy accounts for ~73% of the order book, supporting a structurally higher-margin revenue mix and providing strong medium-term revenue visibility.

Rs. 80 bn order inflow target hinges on H2 acceleration:

- Reported Q1FY27 order inflow stood at Rs. 5.14 bn, while management indicated that YTD order inflows have reached ~Rs. 27.5 bn, including ~Rs. 11 bn from overseas.
- **Management retained its FY27 order inflow target of Rs. 80 bn**, implying a significant acceleration in order awards through the remainder of FY27, and remains confident of achieving the target even without factoring in three major refinery orders.
- Management also indicated that ~Rs. 80 bn of annual order inflows can be **sustained over the next few years**, making order conversion the key monitorable for medium-term growth.

Hydrocarbon pipeline remains healthy, but major opportunities are back-ended:

- Hydrocarbons continue to remain a key growth area, with opportunities across refinery expansions, petrochemical complexes and OMC capex.
- **BPCL Andhra** is progressing towards site-development activity, with the **execution tender potentially expected by end-FY27**, while IOCL Paradip Phase II remains subject to approval.
- ONGC's petrochemical opportunity is currently at the feasibility-study stage and remains a medium-term opportunity.

Middle East remains challenging, yet EIL continues to win orders:

- The Middle East environment remains challenging, with new mega projects progressing slowly, **although existing projects continue normally** and smaller repair/modernization projects remain active.
- EIL secured >Rs. 5 bn of Middle East orders, while its Middle East business has scaled from ~Rs. 300 mn to ~Rs. 10 bn over the past 3-4 years.
- EIL is now empaneled with major consultants and national oil companies in the region, improving access to the bidding ecosystem, although competition remains high.

Nuclear and coal gasification emerging as credible new growth avenues:

- EIL is seeing **increasing enquiries, EOIs and consultancy opportunities in nuclear**, including engagement with NPCIL and private-sector projects.
- In coal gasification, EIL is bidding for feasibility studies and is **executing an NTPC Gas-to-SNG project**, with further opportunities under discussion.
- Management intends to leverage its existing engineering and project-management capabilities in these segments, limiting the need to take significant technology risks.

RFCL contribution provides an increasingly meaningful recurring earnings stream:

- RFCL contributed ~Rs. 425 mn to consolidated profit in Q1FY27, with **management expecting this level of profitability to be sustainable**.
- Management also expects a dividend from RFCL during FY27, making the investment increasingly meaningful to EIL's non-core earnings profile.

FY27 margin and FY28 revenue guidance remain intact:

- **Management maintained FY27 operating margin guidance at ~16%**, with potential upside from pending change-order settlements.
- No exceptional change-order or major provision write-back was included in Q1FY27, indicating that the strong margin performance was primarily driven by the favorable consultancy mix.
- Management retained its FY28 revenue target of Rs. 50 bn and indicated that it will seek to improve upon this target.

Major ongoing/upcoming projects:

Ongoing Projects	Client	Role	Project Capex	Status
Bina Refinery & Petrochemical Expansion	BPCL	MPMC / EPCM	₹43,367 cr	Under execution (30%)
Visakh Refinery Modernisation	HPCL	PMC & Turnkey (OBE)	~₹26,000 cr	Under execution
Dangote Refinery Expansion	Dangote	PMC / EPCM	Not disclosed	Under execution
Panipat Refinery Expansion (15 to 25 MMTPA	IOCL	EPCM	₹38,231 cr	~93% complete
Paradip Petrochemical Complex (PX-PTA Complex)	IOCL	PMC / MPMC	₹13,805 cr	Near completion
Barmer Petrochemical Expansion	HPCL	PMC/EPCM	~₹80,000 cr	Commissioning

Upcoming Large Opportunites	Estimated Capex	Expected Role
Paradip Petrochemical Complex	₹61,077 cr	Already secured PMC packages (PMC-1, PMC-2 and MPMC)
BPCL Andhra Pradesh Refinery & Petrochemical Complex	~₹95,000 cr	Strong PMC/EPCM opportunity
ONGC Petrochemical Complex	~₹80,000-1,00,000 cr	PMC/EPCM opportunity

Source: Company, Dalal & Broacha Research

Valuation & Outlook

Engineers India Ltd (EIL) is entering a structurally stronger earnings cycle, led by a rising contribution from higher-margin consultancy and improving order book visibility. Consultancy now accounts for **~73% of the Rs. 144.2 bn order book**, while management expects consultancy revenue of **Rs. 23-24 bn in FY27**, contributing ~55% of revenue at **24-25% margins**. We believe the continued shift towards consultancy should support sustained improvement in earnings quality and consolidated margins.

The near-term outlook is supported by the expected recovery in turnkey execution, with management targeting **>10% FY27 revenue growth to ~Rs. 42 bn+** and maintaining its **Rs. 50 bn FY28 revenue target**. Importantly, management has retained the **Rs. 80 bn FY27 order inflow target** and remain confident of achieving it even without factoring in three major refinery orders. Continued traction in the Middle East and emerging opportunities across nuclear, coal gasification and specialized infrastructure provide additional medium-term growth optionality.

We also believe EIL's **balance sheet strength remains underappreciated**. The company is debt free, holds Rs. 13.6 bn of cash and cash equivalents (equivalent to ~10% of its current market capitalization) and continues to generate healthy operating cash flows **while maintaining a consistent dividend payout (~45% for the last six years)**. This provides financial flexibility to pursue new opportunities without incremental balance sheet risk.

Accordingly, we expect **Revenue/EBITDA/PAT CAGR of 19%/16%/13% over FY26-FY28e**. At the CMP of Rs. 245, the stock trades at 22x FY27e and 17x FY28e P/E.

We value the company at 21x FY28e EPS of Rs. 14.6, arriving at a target price of Rs. 307, implying an upside of 25%.

Quarterly Results Highlights

Particulars (Rs.mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)
Revenue from Operations	**8,009**	**8,571**	**-7%**	**8,987**	**-11%**
Other Income	371	350	6%	683	-46%
Total RM Cost	3,231	4,422	-27%	4,067	-21%
Gross Profit	**4,778**	**4,149**	**15%**	**4,919**	**-3%**
Employee Benefits Expense	2,588	2,449	6%	2,574	1%
Other Expenses	1,006	1,004	0%	962	5%
Total Expenses	6,825	7,875	-13%	7,603	-10%
EBITDA (excl. Other Income)	**1,184**	**697**	**70%**	**1,384**	**-14%**
EBITDA (incl. Other Income)	**1,554**	**1,046**	**49%**	**2,066**	**-25%**
Depreciation	96	103	-7%	113	-15%
EBIT	**1,087**	**593**	**83%**	**1,270**	**-14%**
Finance Costs	4	5	-19%	5	-11%
Exceptional Items	-	-		-	
PBT	**1,454**	**938**	**55%**	**1,948**	**-25%**
Tax Expense	368	237	55%	428	-14%
Net Profit after Tax	**1,086**	**701**	**55%**	**1,520**	**-29%**
Earning Per Share	1.93	1.25	55%	2.70	-29%
Share of Profit from Associates/JV	425	(74)		387	
Adjusted PAT	**1,511**	**627**	**141%**	**1,907**	**-21%**
Adjusted EPS	2.69	1.12	141%	3.48	-23%
Margins (%)			**(in bps)**		**(in bps)**
Gross Margin	59.7%	48.4%	1125	54.7%	492
EBITDA Margin (excl. Other Income)	14.8%	8.1%	665	15.4%	-62
PAT Margin	13.0%	7.9%	510	15.7%	-276
Tax Rate	25.3%	25.3%	3	22.0%	333
As a % to sales					
RM as a % to sales	40.3%	51.6%		45.3%	
EE Cost as a % to sales	32.3%	28.6%		28.6%	
Other exps as a % to sales	12.6%	11.7%		10.7%	

Segment wise	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)
Revenue					
Consultancy & Engineering Projects	4,990	4,081	22%	4,891	2%
Turnkey Projects	3,019	4,490	-33%	4,096	-26%
Total	**8,009**	**8,571**		**8,987**	
EBIT					
Consultancy & Engineering Projects	1,197	682	75%	1,347	-11%
Turnkey Projects	227	250	-9%	331	-32%
Total	**1,423**	**932**		**1,678**	
Margins (%)			**(in bps)**		**(in bps)**
Consultancy & Engineering Projects	24.0%	16.7%	726	27.5%	-357
Turnkey Projects	7.5%	5.6%	195	8.1%	-57

Source: Company, Dalal & Broacha Research

Financials

P&L (Rs. mn)	FY24	FY25	FY26	FY27e	FY28e
Net Sales	32,322	30,284	38,499	43,170	54,700
Operating Expenses	16,868	13,058	17,999	19,745	24,384
Gross Profit	**15,454**	**17,225**	**20,500**	**23,425**	**30,316**
Employee Cost	9,693	10,033	10,402	12,951	16,410
Other Expenses	2,927	2,302	3,417	3,885	4,923
Operating Profit	**2,833**	**4,890**	**6,681**	**6,588**	**8,983**
Depreciation	345	393	415	455	527
EBIT	2,488	4,497	6,266	6,134	8,456
Margin (%)	*8%*	*15%*	*16%*	*14%*	*15%*
Other Income	2,246	1,696	2,090	2,300	2,500
Interest	30	26	21	28	33
PBT	4,704	6,167	8,335	8,406	10,923
Tax Expense	1,134	1,515	1,948	2,101	2,731
Reported PAT	**3,570**	**4,652**	**6,388**	**6,304**	**8,192**
JV/Associate	851	1,079	474	1,300	1,300
Adjusted PAT	**4,421**	**5,731**	**6,862**	**7,604**	**9,492**

Balance Sheet (Rs. mn)	FY24	FY25	FY26	FY27e	FY28e
Equity Capital	2,810	2,810	2,810	2,810	2,810
Other Equity	20,303	23,390	27,621	31,114	36,495
Total Equity	**23,113**	**26,200**	**30,431**	**33,924**	**39,305**
Long-term Lease Liabilities	194	96	79	73	79
Other Non-current Liabilities	167	108	290	290	290
Non-current Liabilities	**361**	**204**	**369**	**363**	**370**
Short-term Lease Liabilities	135	125	89	88	93
Trade Payables	4,406	4,726	5,821	6,150	7,793
Income Received in Advance	6,113	8,489	7,266	8,516	11,240
Other Current Liabilities	13,587	12,103	13,339	13,339	13,339
Current Liabilities	**24,241**	**25,443**	**26,515**	**28,093**	**32,464**
TOTAL EQUITY & LIABILITIES	**47,714**	**51,847**	**57,315**	**62,380**	**72,139**
PPE (incl. CWIP)	2,502	2,660	3,007	3,426	4,156
ROU & Intangibles	440	349	296	290	309
Investment Property	368	371	364	364	364
Non-current Investments	13,764	14,307	15,165	15,924	16,720
Other Non-current Assets	4,728	4,891	4,914	4,914	4,914
Non-current Assets	**21,802**	**22,578**	**23,747**	**24,918**	**26,463**
Current Investments	1,526	58	835	876	920
Inventories	6	6	5	6	7
Trade Receivables	3,144	4,209	4,516	5,677	7,493
Cash and Bank Balances	11,434	12,427	12,802	13,844	16,421
Contract Assets	5,926	8,048	11,361	13,010	16,785
Other Current Assets	3,878	4,521	4,050	4,050	4,050
Current Assets	**25,912**	**29,269**	**33,568**	**37,463**	**45,676**
TOTAL ASSETS	**47,714**	**51,847**	**57,315**	**62,381**	**72,139**

Cashflow (Rs. mn)	FY24	FY25	FY26	FY27e	FY28e
PBT	4,704	6,167	8,335	8,406	10,923
Depreciation	345	393	415	455	527
Other Income	-2,246	-1,696	-2,090	-2,300	-2,500
Others	59	-1,100	317	28	33
Net Chg in WC	-249	-1,506	-2,377	-1,233	-1,227
Taxes	-519	-1,261	-1,563	-2,101	-2,731
CF from Operating Activities	**2,095**	**997**	**3,038**	**3,254**	**5,025**
Capex	-334	-418	-689	-757	-1,132
Net Investments	197	-823	-1,993	-800	-840
Others	1,729	944	1,840	2,300	2,500
CF from Investing Activities	**1,593**	**-297**	**-843**	**743**	**528**
Change in Share capital	-	-	-	-	-
Change in Debt	-	-	-	-	-
Lease Liabilities Paid	-109	-164	-160	-136	-156
Dividend Paid	-1,686	-1,686	-2,529	-2,810	-2,810
Interest Paid	-	-	-	-10	-10
CF from Financing Activities	**-1,795**	**-1,850**	**-2,690**	**-2,956**	**-2,976**
Net cash increase/ (decrease)	**1,894**	**-1,151**	**-495**	**1,042**	**2,577**
Cash Opening Balance	**602**	**2,496**	**1,345**	**851**	**1,892**
Cash Closing Balance	**2,496**	**1,345**	**851**	**1,892**	**4,470**

Ratios	FY24	FY25	FY26	FY27e	FY28e
Margin (%)					
GM	48%	57%	53%	54%	55%
OPM	9%	16%	17%	15%	16%
NPM	11%	15%	17%	15%	15%
Tax rate	24%	25%	23%	25%	25%
Growth Ratios (%)					
Net Sales	-2%	-6%	27%	12%	27%
Operating Profit	-5%	73%	37%	-1%	36%
PBIT	-9%	81%	39%	-2%	38%
PAT	4%	30%	37%	-1%	30%
Per Share (Rs.)					
Net Earnings (EPS)	6.4	8.3	11.4	11.2	14.6
Adjusted Earnings (Adj. EPS)	7.9	10.2	12.2	13.5	16.9
Book Value Per Share (BVPS)	41.1	46.6	54.1	60.4	69.9
Dividend Per Share (DPS)	3.0	4.0	5.0	5.0	5.0
Valuation Ratios					
P/E (x)	38.5	29.6	21.5	21.8	16.8
P/B (x)	6.0	5.3	4.5	4.1	3.5
EV/EBIDTA (x)	43.7	25.1	18.3	18.4	13.2
Div. Yield (%)	1%	2%	2%	2%	2%
Return Ratios (%)					
ROE	15%	18%	21%	19%	21%
ROCE	11%	17%	20%	18%	21%
RoIC	16%	24%	27%	23%	28%

Source: Company, Dalal & Broacha Research

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