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February 11, 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 nine-month ended December 31, 2025
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 nine month ended December 31, 2025 conducted after the meeting of Board of Directors held on February 5, 2026.

The above information is also available on the website of the Company at 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
Q3 FY ‘26 Earnings Conference Call”

February 05, 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 Q3 FY '26 Harsha Engineers International Limited Earnings Conference Call. As a reminder, all participant lines will be in a 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 via pressing star then zero on your dashed-in phone. Please note that this conference is being recorded.

I would now hand the conference over to Mr. Vishal Rangwala, CEO of Harsha Engineers International Limited. Thank you, and over to you, sir.

Vishal Rangwala: Hello all. A warm welcome to our Q3 FY '26 investor call. As usual, I will ask Mr. Maulik Jasani, our CFO, to take us through numbers in greater details, later on. However, I'm assuming that you would have had a chance to look at that already.

First and foremost, let me start with overall, I'm really happy to note that macro level, quite a few positive events have happened, which has definitely improved overall market sentiment. This would include India, U.K. FTA followed by FTAs with a few other countries and a very positive India, EU FTA recently concluded. To top it all much awaited India-U.S. trade agreement.

Again, with some strong directional push in capex, plus long-term tax holidays announced in certain key segments in the last budget, we are all fairly confident that India can sustain a good GDP growth rate of around 7% in coming years.

As you would have observed from our numbers, at the outset, I'm happy to report that quarter 3 FY '26 performance is broadly in line with our expectation, except for a slight blip in the form of below par performance in Romania. Our India Engineering business, comprising of our company plus our wholly-owned subsidiary, Harsha Advantek has continued to show a strong performance both in top line as well as bottom line, notwithstanding the fact that Harsha Advantek, which has commissioned its greenfield facility in current financial year has reported losses at the PAT level, primarily owing to impact of higher interest and depreciation.

Further, as you would have seen, we had to make a onetime provision of around INR5.97 crores in quarter 3 in India for additional gratuity and leave encashment to give effect of the changes made by the new labour code made effective by the government in quarter 3 FY '26. This is a onetime exceptional provision required to be made retrospectively in quarter 3.

Our India Engineering business has reported a 17.4% revenue growth in Q3 on a Y-o-Y basis. If we normalize the effect of onetime exceptional provision, then our India Engineering business operating EBITDA margin has shown a healthy 23.8%, though the reported EBITDA is at 21.7%. As mentioned earlier, this is after absorbing net loss of INR3.7 crores in Harsha Advantek in quarter 3. We expect a much stronger revenue performance in Harsha Advantek subsidiary in quarter 4, which should increase the EBITDA and reduce the Q4 loss in Advantek subsidiary.

Talking of outsourcing of cages in our India Engineering business, we are steadily growing in this segment owing to a combination of favorable factors. If I talk of cage demand in India, the same is on rise, and we continue to have a dominant market share across a variety of customers. We have started supplies to a lot of our customers, new facility in India, which caters to various world markets.

Our export from India are also gradually going up with EU continuing to show revival in industrial demand for cages, though wind demand is still not picking up in Europe. I believe that with the favorable FTAs, the demand should go up in Europe in coming quarters. In this regard, large-sized cages have continued to show a strong performance, having achieved sales of around INR39 crores in 9 months period up to December '25 as against INR31 crores achieved in the corresponding previous year 9 months.

Pace of new product development continues to be strong at around 123 SKU up to quarter 3 or only in quarter 3, resulting at 382 SKUs for the 9 months for the period ending December '25. Again, if you see our other growth drivers, I'm happy to report that Bronze Bushing business has continued its strong growth trajectory, reaching a sales revenue figure of about INR92 crores in 9 months, ending in December '25. Thus, as per our earlier estimate, we are on track to achieve about 30%-plus growth Y-o-Y basis in this segment.

If I talk stamping, while there was a blip in Q2 due to some seasonal impact on consumer goods segment. They are again catching up in Q3 and stood at the overall revenue for 9 months stood at INR41 crores up to December. I expect stamping sales to further grow in coming quarters due to a few new stamp components, which are under development, which are likely to be commercialized in next financial year.

Lastly, while sales growth to Japanese customer is slow, it is still a positive direction. We are confident that though this is taking longer time, there is no dilution in our efforts, as well as the opportunity for a significant growth in our market share with our Japanese customers.

Talking about overseas subsidiaries, I'm glad to state that Harsha China has continued to report a consistent steady performance, resulting into maintaining a decent profitability and a growth trajectory. In fact, you would have seen in our disclosure made by us in the to the stock exchanges. We have firmed up a brownfield expansion plan in China at the outlay of approximately USD 9.94 million for expanding cage manufacturing capacity in China with primary focus of steel cages.

The logic of this expansion is that there is a good demand for steel cages in China, primarily in industrial segment. We believe that we can significantly improve our market penetration in this segment in China if we increase our cage manufacturing capacity in China as a local player, which is essential not only for our existing key MNC customer present in China, but also for local Chinese bearing manufacturers who can be serviced if we have adequate steel cage capacity in China.

We will fund this expansion primarily through debt and then up to maybe 70% to 80%, or rather, we will fund this by borrowing locally and balance of it would be funded through equity

contribution from Harsha India. The expansion will be implemented at our existing site as a brownfield expansion, and we intend to make this operational before end of financial year '28.

In this quarter, we again saw Romania's performance coming under pressure, primarily owing to a steep increase in copper prices globally, which could not be passed on to the customer immediately as there is a lag. This has resulted into an operating loss at Romania and the combined net loss of our foreign subsidiary stood at around INR3.98 crores in quarter 3, and for 9 months, it stood at INR6.09 crores in 9 months or year-to-date.

However, we still remain confident about Romania likely to do better in coming quarter because of our consistent and conscious shift and focus on the finished cage business, customer diversification as well as cost control strategies under implementation.

Talking of our solar business, the solar division has reported a strong performance in quarter 3, reporting a top line revenue of around INR59 crores and EBITDA of around 9%. However, I mentioned earlier, this is an order-driven business, and overall performance in the current financial year will be good and continuous positive contribution. This division is continuing the positive contribution to overall business.

Lastly, I feel very confident that we'll continue to perform well in quarter 4 in this segment as well, and we should be able to achieve overall guidance given in -- for financial year 2026. More importantly, we feel that we are on a good trajectory for next financial year and hope to continue this direction. However, we would prefer to give our overall guidance for FY '27 at the time of quarter 4 FY '26 annual results call.

Now I transfer over to Maulik, who will take us through numbers in a little bit more detail. Over to you, Maulik.

Maulik Jasani:

Thank you, Vishal, for the overall business overview. Good afternoon, everyone. As you would have noticed, for the quarter ended December '25, our engineering business at consolidated level have achieved a top line of INR350 crores against the INR363 crores top line in the immediate previous quarter and INR302 crores top line in the same quarter last year.

We have achieved consolidated EBITDA for Engineering segment of INR58.6 crores against the reported EBITDA of INR63 crores in the last quarter and INR48.2 crores in the previous quarter. However, adjusted EBITDA is of INR64.3 crores in this quarter after adjusting the onetime provision impact of the new labour code.

Increasing trend in metal prices, especially copper and lag in raw material pass-through has impacted our EBITDA margin and PAT compared to last quarter. Also our new greenfield sites at Bavla has reported a net loss, as Vishal has mentioned, due to the first year operations. We have also capitalized the second building in our Bhayla sites in the last quarter.

Both foreign subsidiaries have jointly contributed EBITDA loss also of around INR51 lakhs at a total level of both foreign subsidiaries. Solar business, as mentioned, has achieved a revenue of INR59.7 crores with an EBITDA of INR5.5 crores. Overall, working capital cycle at consolidated level is around 140 days against 146 days in the previous quarter and 145 days in

the last year same quarter. We have incurred capex of INR32 crores in the last quarter and cumulative capex of around INR100 crores in the last 3 quarters in the current financial year.

With this brief note on the financial numbers, I request operator to take the Q&A from the participants. Thank you.

Moderator: Thank you very much. The first question is from the line of Harshit Patel from Equirus Securities. Please go ahead.

Harshit Patel: Firstly, on the India Engineering business, this was the second consecutive quarter of a very strong growth wherein we have done a mid-double digit to a high double-digit kind of a growth in this business. Could you highlight which are the factors, some of the end user industry, which have drove this performance? Also, if you could give us a flavor on pricing versus volume growth mix within this 17% growth that we have posted in this quarter, that will be very helpful?

Vishal Rangwala: One, Harshit, from our point of view for us, the geography point of view, India is doing very well, as well as Europe, as I mentioned earlier, and both are driving overall growth for us being a very big segment for us. This growth is primarily we are seeing it's purely quantity-driven growth. We are seeing a volume growth. As yet, I think in the last I mean, quarter 3, we don't see any material impact or pass-through, which has materialized, so which will happen in the current quarter.

Overall, India, we are seeing strong demand across all segments, industrial as well as automotive. Overall, globally, we are seeing industrial segment slowly improving, which was in a negative cycle over the last 1.5 years, 2, so which is recovering is how we look at it. That's how we are seeing it. For us, also positive is bushing growth and stamping business growth, which are largely domestic focused. That also supports India growing overall very well. That is also supporting.

Sanjay Majmudar: Just to quickly add one thing. This year, if you see, there is also a growth in exports. In the last couple of years that India was growing domestically, but exports were pulling us down a bit. Now export is also showing about 10% growth. That is helping us showing a much better growth number at India level.

Harshit Patel: Secondly, on the capex that you have announced in China, we have announced a capex worth about \$10 million, which is a pretty significant number. Now, given that we are still operating at about 55% capacity utilization over there. Do you see that the demand is going to be very strong in the near term and that is why we are expanding, we are sort of trying to pre-empt the demand over here?

Also, if you could give some flavor on when we would have expanded this capacity. On that new scale and size of the plant, what would be the maximum revenues we can do at the China level, maybe in FY '29 because FY '28 is where your expansion will get completed. At that scale, what kind of revenues and EBITDA margins we are able to do slightly longer-term broader question, but any outlook on that will be very helpful?

Vishal Rangwala: Yes. Again, in China, there are a couple of things happening, as I mentioned. We have a significant brass capacity located locally in China. However, when it comes to industrial steel cages, we don't have any local capacity. We are seeing industrial segment grow and our ability to participate and get some share of business significantly changes when we are a local manufacturer there. That's the what is primarily driving this capacity expansion.

Within China, what we are doing is so there is some amount of brass capacity also expansion part of this expansion plan. Now in this investment, a big chunk, about 40%-plus is infrastructure, which includes building and a few basic infrastructure we need to build to actually house a lot of our dedicated capacity there. That is a big chunk of this investment. Then we are adding cage capacity, as I mentioned, primarily in the steel industrial side, where we are seeing a good demand and growth and opportunity to penetrate local markets. That's the rationale.

From a number point of view, it will be very difficult to give you a very precise number. Having said that, we are looking at for the piece or for the equipment, which we are going to install, we are expecting at full maturity, it should give around 2x.

Maulik Jasani: Around 2x turnover.

Vishal Rangwala: Current revenues will be double. We are looking at the 2x overall revenue in China when the full maturity of all this capacity takes place. Now that still leaves us with additional infrastructure for further expansion because we are doing a full infrastructure expansion right now. We are keeping space to accommodate any growth opportunity comes our way in a different segment and so on.

Moderator: The next question is from the line of Amit from PL Capital.

Amit: My question again on China, what is the understanding the rationale to expand? You're penetrating completely local, this 2x sales, which you're trying to achieve by F '29, F '30?

Vishal Rangwala: It's a combination of our existing customer as well as local. We are seeing opportunity to get better market share through localization even in our existing customer base, as well as some of the access to customers is not available if we are supplying out of India. We are creating that. It's a combination of both, local customer, as well as our global MNC customer increasing the wallet share with them.

Maulik Jasani: Just to add there, Amit, in the specific industrial segment, there are areas where in China, there is only 1 or 2 local suppliers, and there is no major suppliers available. Hence, even the local bearing manufacturers need reliable and consistent suppliers as alternate suppliers and there where we have a great opportunity to even capture the local manufacturing bearing companies in the industrial segment of the steel cages.

Amit: Is there anything, like with the existing customer, you'll be able to utilize maybe 50%, 60% of what you're installing? Any ballpark or it is still open that once the...

Maulik Jasani: There is definitely great dialogues.

Vishal Rangwala: No, we don't have a clear commitment. However, we have a good engagement and discussion going on, and some portion of capacity will definitely go towards supporting our existing customer and a bigger wallet share of their demand.

Amit: Are we confident of margins having from the past experience in China. What is we are looking for in terms of margins or something with this expansion? Probably looking at the past, we have seen challenges with our international subsidiaries anyways.

Vishal Rangwala: Yes. We will definitely, we are confident that at the right revenue level, we will improve our existing EBITDA in China. We are definitely trying to -- we see a better margin possibility here. That's also one of the incentive for us to go there. Also, there is a scale -- need of scale at China level, which will also help us create operating leverage, improve our margins even on the existing portfolio as well.

Amit: Again, on this thing, you said somewhere in your commentary, wind demand is not picking up in Europe. I think is there any implication for Bushing's business that there might be some challenge because I think you have written it is growing strong, but I'm just trying to understand from what you mean to say by wind demand...

Vishal Rangwala: Yes. I think our Bushing business is focused on replacement-driven concept. That's why that is continuing to grow in spite of Europe wind not doing as well as we expect. However, we are some significant portion of our Romania facility is supporting wind market, which is not as the wind market overall in Europe is not doing that great, and that's the reference I was kind of mentioning there. We don't see that as correlated.

At the full conversion majority, the Bushing business will follow the wind market, what is going on in wind market, but having said that, right now, we are in a very different phase when it comes to Bush, where the focus is on whatever is the existing wind application converting into Bushing, and that will drive the growth.

Amit: Lastly, on Romania, you said this quarter was impacted by commodity prices and probably that might continue in 4Q. What is that we are looking at now, Romania, last time, I think there was some recovery there and you highlighted that time. Now with this challenge, what's the outlook for next 1 or 2 quarters in Romania?

Vishal Rangwala: I think I will not be able to exactly say how it's going. There is a lot of volatility in the commodity market. We do have a pass-through mechanism. We have a quarter-to-quarter impact and correction. I mean, not knowing future, but what we have seen so far so there's a significant volatility. That there is a risk and a concern remains.

Having said that, as I mentioned earlier that our improvement program is going on. We are improving the revenue and the product portfolio, doing more cages and so on, which is taking traction. Apart from this specific challenge, I think if you look at comparison on the revenue side over last year similar quarter, we have grown and we have improved our product portfolio. We are not at all where we need to be, so we are continuing to work on that and evaluate the situation, engage with customers and see where we -- what's the right path going forward on this.

- Moderator:** The next question is from the line of Saket Kapoor from Kapoor & Company.
- Saket Kapoor:** Firstly, if you could just reiterate for the sake of repetition also on the guidance front on what is the likelihood for us to exit FY '26, firstly?
- Sanjay Majmudar :** We had, Saket, said that we will be in terms of growth a little over 10% overall. This Q4 should also continue the same run rate with maybe a little bit marginal improvement, so let's see. That's what the guidance was. We are, I think, on track. We should be okay.
- Saket Kapoor:** On the margin front also on the stand-alone business reported 23%...
- Sanjay Majmudar :** Margin will be better, and we are aiming at in the EBITDA range as we had talked about and the PAT range reaching -- taking the last Q3 run rate and then slightly improving our Q4, we should have a much better bottom line growth in FY '26 as compared to FY '25.
- Saket Kapoor:** No, sir. The EBITDA margin we have for the stand-alone business for 23.4%, that is what we have reported. We are confident on...
- Sanjay Majmudar:** See, what happens, there is always a quarterly lag between the commodity prices and the selling prices. We said India level consistently, we should be in the range of 22%, 23%. Then a little bit of impact of Advantek will be a little lower as compared to Q3 this year in terms of loss. So some losses will be there in Advantek. It will not completely breakeven. It should break even from next year.
- The turnover is steadily increasing. So there will be further increase in turnover of Advantek in Q4 as Vishal said. There are quite a bit of moving pieces, But I believe this we should be reaching the targeted PAT level in the range of around, say, maybe INR145 crores or so. Let us see.
- Saket Kapoor:** Sir if we split our three parts, if you could just give the 9 monthly performance for sales and profitability for Romania, China as well as Advantek separately, just if you could give the number. Then, sir, on the Romania part of the story, if I remember correctly, we were about to discuss and articulate the strategy or restructuring for the unit wherein better deliverables from the same can be derived. Where are we, sir, in terms of that?
- Maulik Jasani:** On the numbers, we have already given numbers in our investor presentation for India Engineering business and foreign subsidiaries performance. You may refer our investor presentation, there you will find the numbers. On the Romania story, yes, our focus is still on the same side on enhancing our cage proposals compared to our current casting proposals and the dialogue is already on with the customer.
- Saket Kapoor:** I was looking for the split between the China and the Romania business separately and the Advantek. Can you have that all 3 separate numbers?
- Sanjay Majmudar:** I'll tell you. As a matter of strategy, in the past, we are always giving a combined number at the foreign subsidiary level. You will see that the loss was about INR6 crores in the 9-month period at the foreign subsidiary level. I believe that there could be a little reduction in Q4 in terms of

combined loss, but you may take a combined loss in the range of maybe around INR8 crores for the year-end for the foreign subsidiaries.

About Advantek, we have given the loss figure, it was INR370 lakhs in the Q3. It should reduce in Q4, but it will still be at a loss level. I think exact number, we will not be able to give, but this is already given the way we have explained actually.

Saket Kapoor: 2 small points. In your presentation, you have mentioned about and earlier also about this lower offtake from your Japanese customer. If you could just allude to us where are we in terms of the deliverables and the order booking from the Japanese concerned? Then, sir, in the slide, we have mentioned about this diversification in precision stamp and bushing components. This stamping is also attributed to the bushing part of the story or we are separately doing stamping of other tools also?

Vishal Rangwala: Yes, we are doing beyond bearing cages and bushing, we also supply stamping components to our customers, which are automotive as well as consumer goods and some industrial goods and so on.

Maulik Jasani: Stamping is separate than bushing.

Sanjay Majmudar : Yes. Stamping is a very different -- yes, it is an extension of our capability for manufacturing steel cages, which is a stamping process, but we have developed some very special components, like railway, steel or compressor, special type of compressor stamping, etc., which is extension of our technology skill set into a little diversified field, but keeping the same value addition in mind, that we will not do business below 20%-21%. We are not doing me too kind of a situation. But bushing is a replacement for bearings in the gearbox, windmill gearbox. It's a very different application.

Saket Kapoor: Just to over the stamping apart, this should be in the Advantek unit we are doing or it is in the older plants, or something?

Vishal Rangwala: Both. We have in existing and Advantek also, may we have created additional capacity for bushing and large-sized cases.

Saket Kapoor: Lastly, if you could just give us your message for your investors. We got listed in 2022, so we were spared from what happened in COVID in terms of valuation. Even if we had taken into account, the vagaries of the market, the business environment, geopolitical issues, every aspect, shareholders have no -- value creation has not happened for your investors. That is including the promoters, who hold 3/4 of the equity. We have seen on the deliverable front. What else and how quickly would this translate into value creation for us in terms of consistent, profitable, predictable growth for the organization? If sir would just throw some insight on the same?

Sanjay Majmudar: Saket, you are right in what you have observed, but also please appreciate that macro level factors are beyond our control. At every single point in time, we have been very transparently communicating with the shareholders and investors that what is the current status with 35% of my business coming from Europe globally and Europe going down and then the geopolitical

tensions with all this, I think we have done very well in terms of quickly going to the drawing board, reworking our strategies and trying to grow and trying to maintain a decent growth.

I think I don't want to speak more, but it seems that this year was much better than last year and now next year will still be better. Our job is to be transparent about what the current state of affairs is, what is our strategy and how we want to keep the company on the growth path. Market is something which nobody knows and we can't control. That's all. We will do our work and we'll be very communicative about what we want to always transparently feel as correct.

Moderator: The next question is from the line of Manish Goyal from ThinQWise Wealth Managers.

Manish Goyal: Congratulations on very good set of numbers. A couple of questions. First, if you can give us the revenue breakup for your new businesses, Bronze Bushing, stamping, Large Size and Japan-based customers for 9 months current year and comparable numbers of last year?

Maulik Jasani: Yes. I think, Manish, that was covered in Vishal's commentary. Let me repeat it for your easy reference. Large Size cages, we did 9 months INR39 crores around versus last year same 9 months, it was around INR31 crores. Japanese customers is around INR51.5 crores against INR50 crores rough in the last year, so almost stagnant. Stamping, we did around INR39 crores and INR41.2 crores in this year, while the bushing around INR74 crores, INR75 crores last year versus INR92 crores this year for 9 months.

Manish Goyal: Related question is that roughly, if I do the math, it is contributing 21% of your revenue all these 3, 4 categories. How do we see this going forward over a period of next 2 years and 3 years or maybe what kind of visibility we have? Can it probably this business can double in 2 years? That was first question. Second, also question is on the cages business that independently, how do we see growth rate in the cages business?

Vishal Rangwala: I don't have a very precise double-up number like that, but these are our focused growth drivers where we see good opportunity. That's why we keep on mentioning the numbers and sometimes we don't do as well as we expect. Having said that, we expect a very good growth in all this segment. It may happen that one segment may falter for a while or something like that. Across all the segments, we have signed a lot of new supply agreements with our customers, and we feel that they are on a good growth trajectory and realization will happen soon.

On the cage side, we see that as a product very strong growth continuing. It's basically what we offer to our customer in terms of cages is a very unique proposition, and we are fairly confident that what we bring to the table will bring us that additional growth. We are seeing also -- that is also driven by our existing business, which was supplied into Europe or U.S. or other locations, how those cages are doing. However, in India, it is doing very well, continues to grow, and we feel fairly confident overall about cage business as well.

Sanjay Majmudar: Just to add, large-size cage actually is a subset of our cage outsourcing for a simple reason. It's carved out separately because it was a relatively low wallet share before 5 years, just 0.5%, 1%. Now we are targeting it maybe at least 5% to 7%, and that's one area which is growing very well. That's very much a part of outsourcing. I think overall, all the Japanese customers also say, our wallet share with them was 1% or 2%. We are targeting at least 5% to 10% in next 2, 3 years.

These are within the bigger subset of outsourcing, these are the carved out subsets with specific focus.

Manish Goyal: You did mention that the new product development is gaining pace. I would like to get a perspective as to are we gaining market share with your customers and the resourcing, you said, started supplies to the customers' new facilities in India. How should we look at it that probably next year, we can look for a double-digit growth overall for the company?

Vishal Rangwala: For us, product under development or development is a leading indicator. What that means is that customer is continuing to give us product, which we will develop and commercialization of such product may take anywhere between 6 months to 2 to 3 years depending on how customer is approaching. In case customer will decide sometimes that only when you complete the complete portfolio that we will start commercialization and so on. Basically, we mentioned that as an indicator that our pipeline is strong, and that's the case.

Now, in terms of doubling the growth, I think it depends on a variety of factors. It depends on how the industry is doing, as well as how the new projects come online. We are very hopeful and confident that good revenue growth is in pipeline, but it depends on all those factors. It's difficult to exactly put a number to all that.

Sanjay Majmudar: Next year, we will go for a double-digit growth, correct? As I said, definitely, that is a target, but we want to give you a little more precise guidance based on certain new development, we'll come back to you at the end of Q4.

Manish Goyal: Particularly on the margins, what India, the stand-alone engineering margins, what we have seen for engineering business at roughly 25% for this quarter. Is this sustainable going forward? Also in context with now that steel prices have started inching up, copper prices are inching up. How should we look into it?

Maulik Jasani: Usually, Manish, we have said that our margins should be tracked on the absolute front, considering there is a material pass-through impact impacting the percentage, either on the upward side or downward side as the case may be or according to which cycles we are going into. Our suggestion is the same. Please track our absolute margin improvement, and we are confident to improve that margin definitely year-over-year, as well as quarter-over-quarter.

Manish Goyal: Maulik, sir, what is the time lag for you to pass on the cost? Is it on monthly revised review or?

Maulik Jasani: Usually, we decide as a 3 months is the period and with 1 month as a lagging. 4 months total lag. Again, customer-to-customer, it varies. On an average, you can consider as a 4 months.

Manish Goyal: Right, sir. Are we seeing any immediate benefits from the FTAs what India has signed with U.K. and EU. Also, now with tariff coming down in U.S., how should we see the prospects going forward?

Vishal Rangwala: Obviously, the export demand will pick up. That's our expectation. There is no direct linkages, but definitely, there is a linkage, and considering that our product is a multi-usage product and

multi-industry usage product, we can't identify the exit end-to-end benefit. Yes, we see that as a positive outcome for our business line.

Maulik Jasani: Just to add, on U.S. front, our share was not very big anyway in U.S., around 8%, 9%. To that extent, we were rather sort of neutral or agnostic to that.

Manish Goyal: Last question on the new facility, now we have started the second building, we capitalized the second building as well. What kind of ramp-up we see? What kind of utilization visibility we see from it next year? Can it revert to company level margins next full-year?

Vishal Rangwala: Our anticipation is to do it early, but as we have committed, any new capex usually takes 2 years to reach to the peak, and we are on the same track. We don't see anything lagging there.

Manish Goyal: Just a clarification. This Q3 presentation, the international revenue share has been restated for the quarter 2 FY '26. Any reason for that? Was there a typo errors?

Maulik Jasani: Some arithmetical error.

Maulik Jasani: In the last quarter, we made some arithmetical error, we have just corrected it.

Manish Goyal: Because even Q1 has a very higher share of international revenue. Maybe if you can provide that clarification.

Vishal Rangwala: That's what Q1 and Q2, there was an arithmetical error. The base number has been corrected now, and that's the reason. Previous years were correct.

Manish Goyal: Yes. I get the numbers from you.

Moderator: The next question is from the line of Jaymin from Ardeko Asset Managers.

Jaymin: One is the European demand. Just wanted to understand on the European demand front, any new programs for the RFQ advancing toward the prototype for the validation stage or any new program wins for the global sourcing mandate, which provides comfort for our sustainable double-digit growth for the near term?

Vishal Rangwala: Yes. From a customer engagement and all those point of view, I mean, we continue to respond to RFQ, but for us, the RFQ through realization cycle is pretty long. What we see is, what our customer is asking us to develop, which becomes a more better benchmark in terms of how growth is coming, how things look like. That has remained strong in spite of whatever we have seen last 1 to 1.5 years, that part of it has remained strong.

We are engaged on a few additional RFQs, additional opportunities, but it depends on those projects get decided based on a variety of factors, and it's not just in our hand or our competitiveness. It's a macro level, big projects, which depends on how our customers are approaching a variety of things. Overall, I would say, it remains positive without saying that that's not a very accurate indication for us.

Jaymin: On the sales to your Japanese customer, it stagnant on a YTD basis. Is it more of a slower program ramp-up from the customer side? Or is it like a technical delay from our side?

Vishal Rangwala: It's a little bit of both. As I was mentioning that there were last quarter, I mentioned that there were some programs which got delayed at our end. Then some of it was demand and delay from customer end so on. It was a combination, and we are very hopeful that we'll come back on track.

Maulik Jasani: Also adding, Jaymin, there are also the global queues had over there. Because of the global uncertainty, customer was also delaying their long-term calls of transferring or enhancing their supply chain outside their comfort zone. We see that the things are settling down in global side. These things will ramp up now.

Jaymin: We understand, I mean, Advantek front, I mean it will take 2 years to reach optimum mix. If you just help us, I mean, how your scale-up looks like for next year, I mean for the next year itself? How should we think about that? I mean is there any delay on the customer validation front? Anything on that color front?

Maulik Jasani: No, things are online, Jaymin, but considering this is a new plant and at an early stage, give us a quarter or 2 quarters more where we will be able to give a better guideline considering the customers' acceptance and approval stage over there. Yes, as we said, we see that we are on the same track of achieving the optimum level within 2 years or around in 2 years from our capitalization. We see that ramp-up will come and it will come faster stage once we get the approvals.

Moderator: The next question is from the line of Jason from IDBI Capital.

Jason: First question just pertains to when I just take the consol minus stand-alone, so you get the subsidiary numbers. When you look at it, the loss is around INR157 million. Now I understand even this quarter, INR4 crores loss is from the Advantek and INR4 crores losses from the overseas subsidiaries. That is how it is panning out. Just in light of the same, just wanted some color on '26 is almost done, so '27, how should it look when you look at -- even you look at Advantek and you look at the overseas subsidiaries, how do you look at it? How does this loss thing should go ahead or some profitability? Just some color on these 2 aspects wanted. I wanted from you.

Sanjay Majmudar: Jason, I think some arithmetic I want to clarify before Vishal or Maulik moves on. At the subsidiary level, as I said, the loss for 9 months is about INR6 crores, correct? Advantek, as you could see, we have already given the figure that Advantek was around INR9 crores. That is how you are looking at INR15 crores, right, for 9 months. INR15 crores, right?

Jason: No. When you look at the complete subsidiary loss, just for -- so my number, what I said was INR157 million was for 9 months, okay? That's a PAT number I'm looking at. INR157 million loss, okay? Simple consol minus standalone. Reported PAT. Now let's not confuse, but I understand it's a combination of Advantek loss and the overseas subsidiaries loss. This is what predominantly is 80%, 90% of the thing. Just wanted to know how this should go to '26? '26 is almost done. '27, how do you look at these 2 factors playing out? How should we look at it?

- Maulik Jasani:** That's what we said, we will give a better guidance on '26 in the quarter 4 year-end, but just to give some heads up that obviously, Advantek turn positive. China continues to grow in the same territory with a better margin. Romania, our intention is to make it breakeven first at EBITDA level, followed by a profit level. That's the major intent.
- Jason:** I'll look forward to the Q4 guidance. In terms of the stand-alone revenue, if we should be able to track -- I mean, you did mention stand-alone engineering revenue. I just would want to know 10% revenue growth should be a fair assumption for '26, '27 going ahead, we should be able to do this 10% revenue growth at least?
- Vishal Rangwala:** Jason same answer, wait for Q4.
- Jason:** Just in terms of this ramp-up, you mentioned Advantek will take 2 years, okay, to ramp up, I understand. Peak revenue, again, probably 2x is a fair assumption. How much of investments are in Advantek? Just wanted to know so -- I mean, just a calculation of peak revenue?
- Maulik Jasani:** On the plant and machinery investment, yes, we can consider 2x. Because there will be Infrastructure and land and building.
- Jason:** How much would that be?
- Vishal Rangwala:** Currently, investment is around INR210 crores-plus. I don't have precise numbers on hand, but majority of that is also infrastructure and land and building, while machinery is around INR100 crores-plus, INR190 crores something, INR120 crores of machinery, that will be 2x.
- Jason:** We have to take the 2x on the machinery, right? Okay. The main products are from Advantek...
- Vishal Rangwala:** Sorry, Jason. We will also have incremental machineries coming up, and that will be still in the pipeline, and we will give that also in guidelines.
- Jason:** Of course, this has to be on the plant and machinery only, other infrastructure is common infra. The main products from Advantek, you have mentioned before, but just wanted to clarify, the bushing, stampings and the large-sized cages, these are the main products from Advantek. Is that right?
- Vishal Rangwala:** You're right. The incremental growth and new businesses of these 3 lines.
- Moderator:** The next question is from the line of Saket Kapoor from Kapoor & Company.
- Saket Kapoor:** Just a follow-up on what the participant just mentioned, for Advantek, the product profile would be skewed towards bushing and large-size cages.
- Vishal Rangwala:** Right, and stamping, a little bit.
- Saket Kapoor:** I think for the large-sized cases, you did alluded earlier about the market and there were some detrends which we were trying to resolve correctly there, what's the business environment or the demand pertaining to the large size cases? What are the figures?

- Vishal Rangwala:** A couple of quarters back -- a few quarters back, we did mention that market for industrial product was very sluggish, and that was the reason for very moderate or not much growth in large size. We might have mentioned that. I think we are seeing that turning around over and above the fact that we are looking at more additional product development and orders for future in this. Yes, those factors are somewhat improving what we had mentioned earlier.
- Saket Kapoor:** Total investment for Advantek, are we done with the entire capex? Also, for the commercialization part, what is -- any closing capital work in progress is there?
- Vishal Rangwala:** No. I already said in the previous question, Saket, the incremental plant and machinery will continue in Advantek, considering that wherever there is a requirement of additional capacity and wherever we see the incremental growth can come, we will continue to have our plant and machinery spending there.
- Saket Kapoor:** Still, we have something to commercialize or if you could give as on date, how much have we invested, including the land for this unit? Or if you could give the bifurcation.
- Vishal Rangwala:** No. To answer your question, yes, there are a few work-in-progress in capex side also, including on the building side, there are some other buildings, like admin and others are under capitalization, yet to be capitalized and some plant and machinery under installation. Around INR40 crores is the rough numbers top of my head.
- Saket Kapoor:** What should be then the total investment for this unit as a whole as on date?
- Vishal Rangwala:** It's an ongoing thing, but yes, we expect it to end this year around INR250 crores-plus.
- Saket Kapoor:** The peak revenue for this also will be 2x or will be different to assume today because of the large size cages and the bushing part. What should be the peak turnover that we may expect or the asset turnover ratio?
- Vishal Rangwala:** 2x of the plant and machineries, but you also have to keep in mind the incremental plant and machineries to be in pipeline. Yes, 2x of the plant and machinery, not of the full capex.
- Moderator:** The next question is from the line of Jason from IDBI Capital.
- Jason:** Just one last question. I just wanted to know. In terms of capex, what we are guiding for '26 and '27 on a consol level?
- Maulik Jasani:** Wait for Q4 to start, Jason, same answer.
- Moderator:** As there are no further questions from the participants, I would now hand the conference over to Mr. Vishal for closing comments. Over to you, sir.
- Vishal Rangwala:** Thank you. Today, I would like to thank you all for continued confidence and support for Harsha Engineers. Then I wish you all a very good evening. Thank you very much.
- Maulik Jasani:** Thank you.



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

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 5th February 2026 will prevail.