Engineers India Ltd. (ENGIND)

CMP: ₹242 | Target ₹ 310 (28%) | Target Period: 12 months | BUY

August 18, 2026

Consultancy- led growth with strong order visibility...

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

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

Q1FY27 performance: Engineers India reported revenue of ₹820 crore, down 5.8% YoY, as Turnkey Projects revenue declined 32.8% YoY to ₹302 crore, partly offset by 22.9% YoY growth in Consultancy & Engineering Projects to ₹518 crore. EBITDA grew 75.4% YoY to ₹126 crore, with margin expanding 714bps to 15.4%, while PAT increased 141.5% YoY to ₹158 crore.

Investment Rationale:

- **Strong Order Book with Improving Mix to Drive Growth and Margin:** Engineers India's robust ₹14,424 crore order book as of June 2026, comprising ₹10,498 crore consultancy and ₹3,926 crore turnkey, provides strong revenue visibility, with the higher-margin consultancy segment accounting for ~73% of the backlog. The company has already built ₹2,750 crore of order inflow YTD, including ~₹1,100 crore consultancy and ~₹1,100 crore overseas orders, and remains confident of achieving its ₹8,000 crore FY27 order-inflow target. Management expects FY27 revenue to grow by >10% to ~₹4,200 crore, with consultancy revenue estimated at ₹2,300–2,400 crore, implying higher growth than the overall business. Importantly, consultancy segment profitability improved sharply to 24% in Q1FY27 from 17% YoY, while LSTK margins improved to 7.5%; management intends to sustain 24–25% consultancy segment margins and maintain ~16% operating margin for FY27.
- **Diversification Beyond Hydrocarbons Creates New Growth Engines:** EIL is increasingly diversifying beyond its traditional hydrocarbon franchise into nuclear, coal gasification, infrastructure, data centres and gas-to-SNG, while retaining hydrocarbons as its core business. Nuclear is gaining traction, with multiple environmental studies underway and consultancy engagements with NPCIL, while coal-gasification opportunities are at the feasibility stage. Infrastructure is already contributing ~45% of current business, with the company selectively targeting higher-value projects. The order pipeline remains broad across petrochemicals, nuclear, coal gasification and infrastructure, with major opportunities including BPCL Andhra, IOCL Paradip Phase-II and ONGC petrochemical projects; BPCL Andhra's execution tender could emerge toward Q4FY27- Q1FY28.

Rating and Target Price: We expect Revenue and PAT to grow at 12.7% and 11.4% CAGR over FY26-FY28E. We recommend **BUY** on **Engineers India** with a target price of **₹310 per share (based on 22x FY28E EPS).**

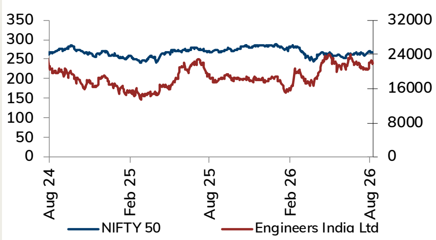
Particulars

Particulars	Rs. (in crore)
Market Capitalization	13,703
Total Debt (FY26)	0
Cash and Inv. (FY26)	1,364
Enterprise Value	12,339.0
52-week H/L (Rs.)	267/164
Equity capital	281
Face value (Rs.)	5

Shareholding pattern

%	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	51.3	51.3	51.3	51.3
FII	7.0	7.7	9.7	9.2
DII	13.7	13.4	12.2	14.2
Others	27.9	27.6	26.8	25.3

Price Chart



Key risks

(i) Slowdown in domestic & global capex;

(ii)) Delays in execution.

(iii) shortage of skilled manpower

Research Analyst

Chirag J Shah
shah.chirag@icicisecurities.com

Dilip Pandey
dilip.pandey@icicisecurities.com

Gourav Aggarwal
gourav.aggarwal@icicisecurities.com

Key Financial Summary

(Rs crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenue	3,281	3,088	3,850	8.3	4,197	4,893	12.7
Adjusted EBITDA	297	430	668	50.0	587	715	3.5
EBITDA Margin (%)	9.1	13.9	17.4		14.0	14.6	
Adjusted PAT	445	497	639	19.8	685	792	11.4
EPS (Rs)	7.9	10.3	11.4		12.2	14.1	
P/E (x)	30.5	23.5	21.3		19.9	17.2	
EV/EBITDA (x)	40.4	23.0	17.5		19.0	15.3	
RoCE (%)	23.0	26.4	32.6		22.1	23.6	
RoE (%)	19.7	21.7	20.3		19.6	20.4	

Source: Company, ICICI Direct Research.

Q1FY27 key results highlights

- **Financial Performance**:
    - Engineers India reported revenue of ₹820 crore, down 5.8% YoY, as Turnkey Projects revenue declined 32.8% YoY to ₹302 crore, partly offset by 22.9% YoY growth in Consultancy & Engineering Projects to ₹518 crore.
    - Gross profit increased 15.7% YoY to ₹492 crore, with GPM expanding 1,113bps YoY to 60.0%. EBITDA grew 75.4% YoY to ₹126 crore, with margin expanding 714bps to 15.4%, while PAT increased 141.5% YoY to ₹158 crore.
- **Order Book & Order Inflow**
    - Order book stood at ₹14,424 crore as of June 2026, comprising ₹10,498 crore consultancy and ₹3,926 crore turnkey, providing strong medium-term revenue visibility. Consultancy accounts for ~73% of the backlog, supporting the company's margin profile.
    - YTD/current order inflow reached ₹2,750 crore, including ~₹1,100 crore from overseas and ~₹1,100 crore consultancy, with the balance largely domestic turnkey/LSTK. Management retained FY27 order inflow guidance of ₹8,000 crore and remains confident of meeting/exceeding the target.
- **Segment Performance & Margin Trajectory:**
    - Consultancy & Engineering revenue grew 22% YoY to ₹499 crore, while Turnkey revenue declined to ₹302 crore from ₹449 crore, owing to tapering of certain large projects. However, recently won turnkey projects are in the initial execution stage and management expects execution momentum to improve from Q3/Q4FY27.
    - Consultancy profitability strengthened materially, with segment profit rising to 24% vs 17% YoY, while LSTK margin improved to 7.5% in Q1FY27. Management expects consultancy margins to remain at 24–25%.
    - Management expects consultancy to contribute ~55% or more of FY27 turnover, with consultancy revenue estimated at ₹2,300–2,400 crore, versus overall revenue guidance of ~₹4,200 crore.
    - FY27 operating margin guidance maintained at ~16%, in line with FY26, with potential upside if pending change-order settlements are realised.
- **Diversification & New Growth Areas:**
    - EIL is pursuing growth beyond hydrocarbons, while retaining its core hydrocarbon franchise. Nuclear, coal gasification and infrastructure are emerging as key diversification areas.
    - **Nuclear:** Multiple environmental studies are underway, including projects for private investors and the government; EIL is also engaged with NPCIL on consultancy assignments and has prior SMR-related credentials.
    - **Coal gasification:** Several opportunities are currently at feasibility/study stage, with potential to progress toward implementation after government VGF-related approvals. EIL believes its existing hydrocarbon engineering capabilities are transferable to the segment.
    - **Infrastructure:** EIL is selectively targeting specialised projects such as data centres, R&D facilities, IIM/IIT buildings and convention centres, rather than commoditised road/building construction. Infrastructure currently contributes ~45% of business.

- **Order Pipeline / Key Opportunities:**
  - BPCL Andhra: Feasibility work is progressing; execution tender is expected toward FY27-end, with order potential in FY27 or Q1FY28 depending on award timing and competition.
  - **IOCL Paradip Phase-II**: Awaiting management approval and resolution of land-related issues; Phase-I has been completed.
  - **ONGC petrochemical project:** Feasibility study is underway but remains at an early stage and could take time.
  - **Middle East:** New project awards remain slower, but EIL secured ~₹500 crore of business from the region in Q1, while existing projects continue without disruption.

Financial summary

Exhibit 1: Profit and loss statement (₹ crore)

(Year-end March)	FY25	FY26	FY27E	FY28E
Revenue	**3,088**	**3,850**	**4,197**	**4,893**
% Growth	(5.9)	24.7	9.0	16.6
Other income	160	209	230	253
Total Revenue	3,248	4,059	4,427	5,146
Employee Expenses	1,024	1,040	1,196	1,340
Other expenses	1,551	2,142	2,413	2,838
Total Operating Expenditure	2,575	3,182	3,609	4,178
Adjusted EBITDA	**430**	**668**	**587**	**715**
% Growth	44.7	55.5	(12.1)	21.8
Interest	3	2	2	2
PBDT	670	875	815	966
Depreciation	40	42	48	56
PBT before Exceptional Items	630	834	767	909
Total Tax	158	195	192	227
PAT before MI	472	639	575	682
Adjusted PAT	**497**	**639**	**685**	**792**
% Growth	11.7	28.5	7.2	15.6
Adjusted EPS	8.8	11.4	12.2	14.1

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement (₹ crore)

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	**580**	**639**	**685**	**792**
Depreciation	39.6	41.5	48.3	56.3
Interest	2.7	2.1	2.4	2.4
Cash Flow before WC changes	622	682	736	851
Changes in inventory	(0.1)	0.2	(0.7)	(0.2)
Changes in debtors	(109)	(35)	(66)	(89)
Changes in loans & Advances	(6.0)	(3.6)	(1.1)	(7.0)
Changes in other current assets	146.8	(77.7)	(166.5)	(50.0)
Net Increase in Current Assets	(238)	(400)	326	(231)
Changes in creditors	32.3	110.6	(40.8)	88.7
Changes in provisions	(103.1)	16.4	(11.2)	74.7
Net Increase in Current Liabilities	125	111	(28)	239
Net CF from Operating activities	509	393	1,033	859
Changes in deferred tax assets	23.3	(10.5)	-	-
(Purchase)/Sale of Fixed Assets	(43.9)	(72.3)	(50.0)	(50.0)
Net CF from Investing activities	(232.2)	(191.9)	(165.9)	(200.0)
Dividend and Dividend Tax	(169)	(281)	(337)	(393)
Net CF from Financing Activities	(169)	(164)	(341)	(397)
Net Cash flow	107	66	527	262
Opening Cash/Cash Equivalent	**1,191**	**1,298**	**1,364**	**1,891**
Closing Cash/ Cash Equivalent	**1,298**	**1,364**	**1,891**	**2,153**

Source: Company, ICICI Direct Research

Exhibit 3: Balance sheet (₹ crore)

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	281.0	281.0	281.0	281.0
Reserve and Surplus	2,388	2,865	3,212	3,609
Total Shareholders' funds	2,669	3,146	3,493	3,890
Other Non-Current Liabilities	30.5	46.9	31.0	31.0
Total Debt	-	-	-	-
Total Liabilities	**2,700**	**3,193**	**3,524**	**3,921**
Gross Block	493	580	626	676
Acc: Depreciation	236	278	326	382
Net Block	257	302	300	294
Capital WIP	45.7	30.8	35.0	35.0
Total Fixed Assets	302	333	335	329
Non-Current Assets	495	500	500	500
Inventory	0.7	0.5	1.2	1.4
Debtors	444.4	479.3	545.7	634.4
Loans and Advances	24.6	28.2	29.3	36.3
Other Current Assets	423	371	482	567
Cash	1,327	1,364	1,891	2,153
Total Current Assets	3,041	3,478	3,679	4,172
Current Liabilities	476	587	546	634
Provisions	650	666	655	730
Net Current Assets	475	801	1,031	1,285
Total Assets	**2,700**	**3,193**	**3,524**	**3,921**

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per Share Data				
Adjusted EPS	8.8	11.4	12.2	14.1
Cash per Share	32.3	33.8	43.1	47.8
BV	47.5	56.0	62.1	69.2
Dividend per share	3.0	5.0	6.0	7.0
Dvidend payout ratio	29%	44%	49%	50%
Operating Ratios				
EBITDA Margin	16.6	17.4	14.0	14.6
PAT Margin	18.8	16.6	16.3	16.2
Return Ratios				
RoE	21.7	20.3	19.6	20.4
RoCE	26.4	32.6	22.1	23.6
Valuation Ratios				
EV / EBITDA	23.0	17.5	19.0	15.3
P/E	23.5	21.3	19.9	17.2
EV / Net Sales	3.6	2.9	2.5	2.1
Sales / Equity	1.2	1.3	1.3	1.3
Market Cap / Sales	4.2	3.4	3.1	2.6
Price to Book Value	5.1	4.3	3.9	3.5
Turnover Ratios				
Asset turnover	6.6	7.0	7.1	7.6
Debtors Turnover Ratio	8.3	8.8	8.6	8.7
Creditors Turnover Ratio	7.1	7.6	7.8	8.7
Solvency Ratios				
Debt / Equity	-	-	-	-
Current Ratio	0.4	0.5	0.7	0.7
Quick Ratio	0.4	0.5	0.7	0.7

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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

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

ANALYST CERTIFICATION

I/We, Chirag Shah, PGDBM, Dilip Pandey, MBA, Gourav Aggarwal, MBA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

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

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

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

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report