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November 11, 2025

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 half year ended September 30, 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 half year ended September 30, 2025 conducted after the meeting of Board of Directors held on November 6, 2025.

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

Corporate & Registered Office: Sarkhej - Bavla Road, Changodar, Ahmedabad, Sanand - 382213, Gujarat, India.
Tel.: +91-2717-618200 Fax: +91-2717-618259 E-mail: sec@harshaengineers.com URL: www.harshaengineers.com



“Harsha Engineers International Limited
Q2 H1 FY 2026 Investor Conference Call”
November 06, 2025



**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 Harsha Engineers International Limited Conference Call. As a reminder, all participant line will be in 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 then zero on your touch-down 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, sir.

Vishal Rangwala: Hello all. Good evening. I welcome you all to our quarter 2 H1 FY 2026 investor call. As per our past practice, our CFO, Mr. Maulik Jasani will take you through the details. However, I'm assuming that you would have had a chance to look at these numbers already. And if I summarize my thoughts on our quarter 2 H1 performance, I'll take the liberty to state that overall, our performance is in line with our expectation. I have quite a few positive topics to talk about. And first and foremost,

I'm delighted to inform that after several quarters, Harsha Romania has posted a strong top line growth and has reported a positive EBITDA, which further strengthens our optimism that the trend witnessed in first quarter and the improvement in the undercurrents in terms of demand and offtake in quarter 1 has also continued in quarter 2.

What is noteworthy is the fact that current quarter sales of semi-finished casting to one of the key customer has improved along with sales of finished kit, which has resulted in almost 38% growth in the top line in the current quarter over the corresponding quarter of the previous year. 38% growth in the first half in the top line as compared to the corresponding first half of the previous year.

Again, as entered earlier, we see most of this improved demand in Europe coming from the industrials, and we are yet to see any significant improvement in as much as wind market is concerned. Further, our exports from India to Europe have also grown decently in this current financial year.

Thus, our total export sale from India in the current quarter stood at INR123 crores, resulting into a total export sale of INR237 crores in the current half of the year, which shows around 12% growth on half yearly -- half year to half year basis and almost -- it has been about 27% growth on a quarter-over-quarter basis.

These indicators have definitely made us cautiously optimistic as we feel that if similar trend continues in the coming quarters, then we can confidently say that this looks to be sustainable going forward. But as I said earlier, it is a bit early to reach to this conclusion, and let's wait and watch for at least 1 or 2 more quarters.

Further, I informed earlier, as it is evident from the result, Harsha China has been performing very consistently and with almost same level of operations reported in quarter 2, with a

comfortable positive EBITDA in the range of about 12% on a turnover of about INR65 crores reported in the first half of the current financial year.

Thus, the combined loss at the subsidiary level is reduced to just around INR2 crores in first half. as against the overall combined loss of INR17 crores in the whole year previous year. If this -- and if this trend continues, then our first objective of turning around the overseas subsidiary into a positive territory can be achieved likely in the current financial year.

Coming to our India Engineering business. We have continued to witness a decent positive traction on all key fronts. Thus, as you may have seen on a combined basis, what that means is including our stand-alone, as well as Harsha Advantek subsidiary. We have achieved about 15% top line growth on quarter-over-quarter basis and 10% top line growth on H1 to H1 basis.

However, EBITDA and PAT margin reduction on sequential basis is largely attributable to an aggregate loss of about INR5.7 crores suffered by Harsha Advantek in first half, largely due to additional charge of over INR4.2 crores in form of interest and depreciation, which could not be absorbed because of suboptimal revenue in Harsha Advantek considering that this has come into production only in first quarter this financial year. We believe that with better capacity utilization in coming quarters, Harsha Advantek should become profitable within next 1 year.

Now talking specifically about our 3 growth drivers, the bronze bushing vertical or bushing vertical has reported a robust 25% sales growth in the first half of the current financial year over the previous first half, achieving sales of around INR55 crores. As we have guided earlier, we expect sales in this vertical to be much in second half, and we, therefore, feel confident of meeting our guidance of around 30% growth in the sales of bushings in the current financial year.

Similarly, large-sized cases have also reported a decent growth and stood at around INR27 crores in first half, showing over about 33% growth as compared to sales achieved in first half of the previous financial year. Sales growth of Japan-based customer was little modest at 7% on the first half stood at about INR35 crores. However, with a strong pipeline, we will be likely on track -- back on track in acceleration form for this segment as well in coming quarter.

On the stamping front, we had a flat or a slight degrowth. However, this is -- it is to be noted that one of our major customer in this segment for stamping, which is an air conditioning consumer goods segment. As this subsegment witnessed an exceptionally strong sales corresponding first half of the previous year, and this was not repeated in the current first half. Our long-term outlook as well as short-term demand improvement is also visible within this segment. So I'm really hopeful that we should post at least a single-digit growth, maybe about 5%, 7% in this segment in current financial year in spite of a tough first half.

Lastly, on a major resourcing, outsourcing and various new project contracts, we have already started production in India for those. But as per the specific requirement of the customer sales relating to that may start showing up in a significant way in the fourth quarter current financial year. And largely, it will come in next financial year, which is FY '26, '27. And new product

pipeline also continues to be extremely strong. We have developed about 258 new SKUs in current financial year so far, and it is on track with our expectations.

If I talk about a little bit about our solar division has continued to operate more or less in auto mode. Sales in the first half were much lower owing to typical order base, project-based revenue cycle. And we had some grain-related project delays that had some impact. But at the end of the day, it still continues to post a positive bottom line as a division, as a unit.

To conclude, I wish to reiterate our -- what we have indicated overall guidance for FY 2026 that on a consolidated top line growth to be in a higher single digit with India Engineering business continuing to grow at about low to mid-teen range, much stronger growth in profitability is also expected current financial year as compared to FY 2025.

Now I will ask Maulik to go through more details in some numbers, and then we can continue to take questions after that. Over to you, Maulik.

Maulik Jasani:

Thank you, Vishal bhai. Good afternoon, everyone. For the quarter ended September '25, for our engineering business at consolidated level, we have achieved a top line of INR363 crores against INR349 crores in the immediate previous quarter and INR310 crores in the same quarter last year. We have achieved consolidated EBITDA for Engineering business of INR63 crores in quarter 2 FY '26 against the reported EBITDA of INR65.2 crores in the last quarter and INR50.2 crores in the last year same quarter.

The major reasons, as Vishal has explained, is lag in raw material price pass-through and the first year of operation at our new greenfield site, Bhayla, impacting the EBITDA margin and PAT compared to the previous quarter. Our foreign subsidiaries has contributed positively in EBITDA and PAT by INR4.62 crores and INR0.64 crores, respectively, in quarter 2. Our solar business have achieved revenue top line of INR15.2 crores and EBITDA of INR1 crores in the last quarter.

Our overall working capital cycle at consolidated level remain at around 146 days, similar to the last year first half, while in the -- compared to last quarter of 139 days. We have spent INR24 crores in this quarter on capex, cumulative INR68 crores in the first half of the 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 sir. Ladies and gentlemen, we'll now begin with the question and answer session. Anyone who wishes to ask a question may press star and 1 on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use headsets while asking a question. Ladies and gentlemen, we'll wait for a moment while the question queue assembles. Our first question come from the line of Mr. Harshit Patel from Equirus Securities. Please go ahead.

Harshit Patel:

Thank you very much for the opportunity. Sir, firstly, on our India Engineering business, wherein we have posted a growth of 15% Y-o-Y. However, our exports have grown very tremendously. So, it seems like the domestic revenues have not done very well. And please

correct me if my reading is not right. So, if you could explain how the domestic market is functioning, which customer groups and the industries are doing well and which are not doing well?

Vishal Rangwala:

Yes. So, yes, you're right in a way that our growth largely and specifically, if we talk about versus previous quarter, quarter 1 FY '26 versus quarter 2 is largely driven by mainly Europe on a consolidated basis. And even in India, there is a positive Europe demand coming in. Overall, if I talk about -- I mean -- and then there is growth across few other segments, also few other geographies also. But at the same time, in India, we see a fairly robust demand coming in.

And only as I mentioned that in my commentary about stamping segment, one of our customers, we had a significant order drop again on account of market in the air conditioning segment. And that has kind of created a little bit of flat situation. There is no degrowth in India. Actually, there is significant growth happening in other geography. And that is primarily what we see. There are few other segments like railway, which are a little bit soft from our point of view. I'm not sure if that's really true for the segment overall.

So there are couple of that, things like that. Overall, otherwise, India demand remains strong and very positive. So we have seen -- if I create those 1 or 2 exceptions, even India as a segment has seen growth as well.

Sanjay Majmudar:

So just to add, Harshit, this is Sanjay. We have about 10% growth H1 to H1 on a Y-o-Y basis, even in the domestic side of the business, sales from India, sales into India.

Harshit Patel:

Understood. Sir, second on our...

Vishal Rangwala:

Sorry, Harshit, I just -- I was reminded of something. One of our customer, domestic customer went through split of business, and there was probably some inventory held off due to that also had some impact. They went through split, I believe, 1st October, so that they were trying to manage because of the business separation.

Harshit Patel:

Understood, sir. Sir, secondly, on the Romania front, it was very encouraging to see a turnaround both in revenues as well as on EBITDA front. So could you highlight some of the factors which have contributed towards this? What kind of product mix we witnessed over there? We were also trying to reprice our operations in Romania. Is that whole exercise over? So if you can give some more insights into our Romania performance, that will be helpful.

Vishal Rangwala:

Sure. So Romania, as we have said earlier that we are working on significant cost reduction initiative there. That is continuing. It's showing some positive sign. I think there is still a long way for us to go on that. So -- but that is contributing a bit also. Obviously, we are seeing higher order book on the finished cage product side in Romania.

So, product mix from a finished product versus semi finished product has improved significantly, which is also contributing significantly to the top line growth. And we are seeing some semi-finished growth also coming our way. So, ratio has improved on the finished goods side, some cost improvement, as well as overall improving demand.

- Harshit Patel:** Understood, sir. And sir, just lastly, if you can provide us an update on your capex plan for the remaining 6 months of FY '26 and for the next year, FY '27? That would be my last question.
- Maulik Jasani:** Yes, Harshit, this is Maulik. As I have mentioned that for the first half, we have spent around INR68 crores at consol level. And we are at our pace of our original target, which we have given as a intimation to you around INR110 crores to INR120 crores in the full year. That's the program. While the next year, it is bit early, and we will be able to give you the better guidelines in the next quarter.
- Harshit Patel:** Sure. But sir, this year in FY '26, will our Bhayla capex will be completed or still there will be some spillover to the next year?
- Maulik Jasani:** So, major capex will be done as it has already started operationalizing. But yes, there is a incremental lines will come in there. As you know that our Bhayla site is equivalent size of our existing plant. So there will be some incremental lines coming on over there. Maybe the next year will also be a few lines coming over there.
- Harshit Patel:** Thank you very much for answering my questions and all the best.
- Moderator:** Thank you. Our next question comes from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Namaskar sir and thank you for the opportunity. Sir, firstly, with respect to the large-sized cages, how has been the contribution from the same? And any color you can give on the order booking with respect to the same?
- Vishal Rangwala:** As I mentioned in my beginning note that large size, we are back on growth track, and we are seeing positive almost 30% plus revenue growth. Not able to clearly provide exactly the future. We are expecting or hoping that this trend will continue, but there is lot of volatility in the market and our customers are also not able to give a clear picture as of right now, but remains positive is how I would put it.
- Saket Kapoor:** So for the first half, sir, can you quantify for us how much have been the contribution out of this category and which industries end users are we catering to this large size cases?
- Vishal Rangwala:** So, large size are basically addressing the large bearing market, and this is primarily industrial bearing -- going to industrial bearing cages, including wind and steel mill and a variety of those industrial portfolio. And specific number, I think Maulik can share on that.
- Maulik Jasani:** So, yes, the first half, we did large size turnover of around INR77 crores, and that is with a growth of 33% for the first half, while for the quarter, the growth is more than 35%.
- Saket Kapoor:** Okay. And last year numbers, Maulik, sir, what was the last year's sales number?
- Vishal Rangwala:** INR43 crores.
- Maulik Jasani:** So it is full year you're asking or...

- Saket Kapoor:** Full year, sir. Full year number.
- Maulik Jasani:** First half last year was around 20 -- first half last year was INR20 crores, while full year would be around INR45 crores, I don't have it handy.
- Vishal Rangwala:** 43, INR43 crores full year.
- Maulik Jasani:** Yes, full year.
- Saket Kapoor:** Okay. Sir, you were mentioning about our greenfield project at Bhayla, the Advantek one. So if you could just categorize to us, sir, how different is this current facility? And what -- how are the margins -- how is these facilities going to be more margin accretive? And how -- what is the key differentiation with our existing facility and the one which -- wherein we have put up this large capex? And going ahead, how are the utilization levels going to shape up?
- Vishal Rangwala:** Yes. So one -- what we have set up at Bhayla or the new site is our incremental bush manufacturing capacity, where we are doing lot of bushings machining and a few other processes there for bushing. And that is very different. It is advanced -- technically advanced facility when it comes to bush manufacturing. And then other thing we have is large-size cages where we are again our incremental demand to support the incremental demand, we are adding capacity there. Now -- in terms of margins, I think in general, it's...
- Sanjay Majmudar:** And small for stamping also.
- Vishal Rangwala:** Correct. And also there is a third facility for our stamping expansion. All 3 in line -- roughly, if you look at margins are somewhat similar or in line with our overall India stand-alone margins. Obviously, these are industrial products. So they would be small volume production base versus small batch production base.
- So there are -- these facilities are designed keeping those product portfolio in mind versus our current manufacturing would be if the smaller size would be more automotive, high volume. So in that sense, these facilities are a little different than our existing facility. But then also we have something similar here, existing facility as well, and these are incremental capacities we are setting up over there.
- Saket Kapoor:** And sir, in terms of utilization levels, what should be worked out at peak? I mean what are the current...
- Vishal Rangwala:** So current utilization would be probably less than 10% for last quarter. And as because this is a significant capacity addition we are doing and that is continuing. So this is an ongoing even though we have started production, but there are few lines which are coming in, in next few months. So we will add significant capacity here.
- We will take some time to really achieve optimal utilization. I would say that about 2 years optimal point may take about 2 to 2.5 years to really reach. However, as I mentioned earlier, that it depends on some customer approval, but we are very hopeful that even we are able -- we will be able to ramp up this to a good margin or a respectable at least positive margin within 1 year.

Saket Kapoor: Okay. Sir, there was one announcement dated 31st October that was also regarding our Advantek subsidiary only, wherein we have shifted the facility from the lease to the new plant? So...

Vishal Rangwala: Phase 2.

Saket Kapoor: Yes, sir.

Vishal Rangwala: So, yes, basically, if you want more like description of that, what really happened or what you're looking at?

Sanjay Majmudar: What circulation, yes.

Vishal Rangwala: Sir, do I understand that what was that lease arrangement and now our own facility, why we shifted, no?

Saket Kapoor: The question was also, sir, that we were already doing production under the lease facility. So this subsidiary was already contributing. So, what are the -- what is the -- first of all, yes, I wanted to understand the reason and then I have one follow-up.

Maulik Jasani: Saket, that side, the subsidiary has started operation in the lease site. Obviously, that lease site is comparatively very small size to our new Bhayla site, and that was mainly focused on the stamping products initially as a incremental new business. And last year turnover was around roughly INR7 crores or so.

Important point here is the Bhayla site, we'll have all the incremental businesses on account of the boostings and large-size business as well as stamping. And you may refer the other announcements we did in the stock exchanges for the incremental revenues we are -- or the incremental orders we have won. And likely all those business will come from the Advantek side.

Saket Kapoor: Okay. Just to add to it, sir, we, as investors, can we make request to have to visit this facility and have some better understanding because during the call may not be the precocity of time won't be able to put forward all the questions. So can that be facilitated going ahead?

Vishal Rangwala: Yes, Saket, you can put it once we have a sufficient group numbers of investors, so we can -- we will be happy to provide that.

Management: Yes, yes.

Saket Kapoor: And sir now coming to...yes, so now coming to the Romania part, sir, in the earlier calls, I think the 2 calls back, you did mention about an overall restructuring of the facility and with the things at that time when we took the written down value for our investment. So taking that into account, where are we, sir, in terms of that conclusion since the last 2 quarters have been substantially better in terms of the operations?

And in your opening remark also, you did alluded to the fact of a better sentiment and better revenue visibility from there. So where are we, sir, in terms of the restructuring, if any, for the Romania facility?

- Vishal Rangwala:** That's an ongoing continued initiative from our side. We are continuing with that. This will take some time, and there is lot of work yet to be done on this topics, some -- lot of customer engagement and seeing a long-term sustainability and all that. So that is a ongoing work. We are nowhere near or we have just stretched -- made some improvements there, some changes there. And we expect that this will continue for a while before we can really clearly define long-term future for this.
- Saket Kapoor:** Any time line, sir, you can put for it, the segment, right?
- Vishal Rangwala:** It's difficult to put a clear time line. Having said that, we are very feeling fairly positive considering the recent situation, but cautiously optimistic, but it will take some time before we can really conclude.
- Saket Kapoor:** And the last point pertaining to the order booking part, sir, with respect to the business profile in the 3 major categories outlined, how do you see the order intake and the update in terms of 6 months down the line, the visibility, if you could throw some color on that, sir?
- Vishal Rangwala:** So right now, I mean, we don't have very long visibility. Long-term visibility is strong. The indications are strong. But from a immediate order book point of view, I think our customers are giving some forecast, some indication, not all of them. And if I look at short-term, about 3 to 6 months, looks fairly robust, but difficult. No one is actually saying that it will sustain like that. So everyone is little cautious.
- Management:** So, just to add here, Saket, most of our contracts are long term with the customers, 5 to 10 years or even longer, correct? So that way, we have a very good visibility.
- Maulik Jasani:** And when it comes to PO base, see our -- when we talk about order book, it is a PO-to-PO kind of a situation that we are talking about. That's what Vishal is referring to. Now the fact that I have developed more than 258 SKUs in the first 6 months plus more than 8,500 SKU kind of a pipeline, that itself gives us a very clear visibility in terms of medium to long term that, yes, business is very, very solid, and it will continue to drive our new capex and new development.
- Again, on the Romania side, we are working very hard with the existing plus new customers to convert most of the business into cage. And that is what Vishal was referring to that, that particular visibility though early indications are we have slowly started getting more orders for cages, but we are doing tremendous pushing for those customers to increase the cage allocation and buy more cages from us. This is where we are. But from an India perspective, we are very comfortable.
- Saket Kapoor:** Right sir, I'll join the queue sir for a few more of them.
- Maulik Jasani:** Yes.
- Saket Kapoor:** Thank you sir.
- Moderator:** Our next question comes from the line of Mayank Bhandari from Asian Market Securities. Please go ahead.

- Mayank Bhandari:** Thanks for the opportunity. Sir, my first question is around this automotive part of the little business that we have. We were anticipating cyclical impact or the amount of cyclical impact we have. So how is this panning out? And what is the expectation going forward given the recent GST cut we have seen?
- Vishal Rangwala:** So, we have not seen -- we have seen some improvements on the demand front from some of our domestic customer. So I mean their positivity and slight growth is continuing. We are not saying, we are not able to share that we are seeing a big shift there as such. Having said that, a lot of pipeline inventory and cyclical impact to fall our impact from it was and on that. So, profitability...
- Moderator:** I'm really sorry to interrupt you, sir, but your voice is very slow. It's breaking.
- Vishal Rangwala:** Okay. How about now? Can you hear me?
- Moderator:** Yes, yes, it's good now.
- Vishal Rangwala:** Okay. All right. We can go to the next question.
- Moderator:** Mayank Bhandari has left the queue. We'll move forward to the next question. Our next question comes from the line of Jaymin, Ardeko Asset Management. Please go ahead.
- Jaymin:** Thanks for the opportunity. Sir, last quarter, you were a bit cautious on whether the European-led uptick was sustainable or not. But this quarter, the tone is more confident. So would you help us to break down what's driving the export growth? I mean is it a growth coming from existing customers increasing their schedule? Or are there new geographies or accounts contributing the momentum?
- Vishal Rangwala:** So it's -- yes, we are a little more confident because it has continued for 2 quarters. So that changes -- that builds the confidence. Second, this is coming from existing customers and existing products, one, so we are seeing a little bit uptick in demand. Also, it is coming from new product developed over the last 2, 3 years, and now they are in process of commercializing and winning some new additional business and all that. So combination of all of the above is how I would say.
- Jaymin:** Okay. On Harsha Advantek, I mean, the Bhayla plant, you mentioned I mean the loss is due to the subscale volumes also, I mean, delayed cost pass-through. So you can just specify quarterly revenue run rate required for the operational breakeven? And by when you expect to turn around?.
- Vishal Rangwala:** I want to verify is, Jaymin bhai, this pass-through is actually relatable to entire Harsha India Engineering, not only to Bhayla, yes. And then, of course, the other part is Advantek.
- Sanjay Majmudar :** Jaymin, on Advantek, breakeven will be difficult to give the guideline. The reason being there is a different product mix having a different order level possibility as well as margin possibility and capacity buildup is also happening in the various phases. So we -- as we said, likely the optimum capacity level will be reaching 2, 2.5 hours, while profitability will start slightly last

quarter or the beginning of next year, first quarter or so. That's our -- about breakeven uptick, that is our current estimate.

Jaymin: Got it. And let me just reframe the question. Has the breakeven threshold or time line changed versus your earlier internal projection?

Management: Not precisely, but yes, there are some incremental capacities are building up. And again, as Vishal bhai has mentioned, there is a trail of customer approvals and product pipelines and again, the old customers' inventories and everything is followed by. So that's how the customer will also put the orders accordingly on our incremental business.

Jaymin: Okay. Okay. And also on the India Engineering EBITDA margin front, I mean, we have seen 280 basis point decline on a sequential basis. So if you just keep out the Advantek losses and basically, how much that, I mean, your EBITDA margin decline came from RM cost lag or any change in product mix?

Management: So just to, first to answer, effectively, if you see there is no significant impact of Bhayla on the EBITDA front as of now. On the EBITDA side, the products are having a good reason. It is majorly impacted on account of full depreciation started, as well as interest costs started over there. Now coming to your questions on the decline on sequential basis on margin.

If you see the last quarter and even in our last call in the last year -- last quarter call, we have mentioned that this is exceptional margin we earn on account of the metal price reduction. So that's not something -- and we also specifically mentioned that this is not a targeted EBITDA margin for us. So that's the reason the reverse scenario has happened. Metal price has been passed through. So sales rate has reduced and metal has started increasing.

Vishal Rangwala: This is an ongoing process. So a better way would be look at us at least on a 6 or a 12-month basis, and you will find that we are very comfortable at India level in the range of around 21%, 22% sustainable margins.

Jaymin: Thank you so much.

Moderator: Our next question comes from the line of Amit Anwani from PL Capital. Please go ahead.

Amit Anwani: Thanks for the opportunity. So first question on the Romania, where we have seen good improvement after several quarters. And you did highlight it demand coming back and the other positives which happened. Just wanted to understand the key reasons for the demand coming back.

Is it with the same customer we wanted to do when the business was not properly working also to sell to other customers and we try to change the mix also semifinished versus large cases. So what is actually happening? And what is your sense? Can we directionally think that now Romania will see better days ahead if I take a medium-term view? Can this quarter be an indicator?

Vishal Rangwala: So this growth on top line in Romania is coming from -- I mentioned -- as I mentioned earlier, both from semi-finished, as well as finished product. However, significant increase is coming from finished products. So we are -- at least last quarter, we are able to see improved proportion of finished product portfolio, which was our endeavour. And from a customer point of view also, yes, the -- some of it is coming from new customer, new business.

And some of it is growth of existing customer, existing business, which was lagging previously. So we are seeing a combination of factor supporting this improvement on the top line. And on the bottom line, some work on the cost cutting done in the past or that's continuing. And in terms of future, we are a little too early to say this is sustainable.

As I said, it has been a difficult journey in Romania for us, and we are working towards making a sustainable situation here. I'm not able to fully say that, okay, everything a bad time is completely behind us, but we see continued progress where it sustains, where it falls, how the new business comes in and demand develops, that's something we are still working towards.

Sanjay Majmudar: See, just to add, there would be a very -- there is a very strong impact on the consolidated PAT, not because Romania has started generating a very good EBITDA, but the loss contribution is 0. So if you see last year and this year, we did about INR74 crores PAT first half, correct? There is a loss of about INR5 crores at Advantek level. So on an adjusted basis, I'm still saying I'm doing INR75 -- and if I multiply it by 2, I'm talking of 150, assuming there's no further loss contribution. So we are trying hard first achieving the goal that the losses will be 0, which I feel and we strongly feel we should be able to contain it.

And then obviously, with more and more kgs being sold and other things, if Romania starts to continuous contribution of even some positive EBITDA, it will have a very big compounding effect. That's what we are trying to say.

Amit Anwani: Understood, sir. Sir, second question on Bronze bushings. What was the number for this quarter? And are we adding customers, some sense on the demand side, where are we seeing traction? So in terms of customer sourcings, is the wallet share increasing with the same customer? Are we adding customers? Any particular geographies? Some sense what we want to achieve in bronze bushings over the next 12 months as we -- any color there? Plus with -- once the capex is done, what could be the peak revenue for bronze bushings we are targeting?

Maulik Jasani: Okay. For the last quarter, the bushings number were around INR30 crores. About the potential business of the bushings I request Vishal bhai to give you the introduction, first half was INR55 crores.

Vishal Rangwala: And so -- so in terms of bushing pipeline, we are confident that right now, we have, as we have announced in past, about INR117 crores odd new orders pipeline. We are continuing to win some business. Primarily, it is coming from better share of business from a global perspective from our customer, as well as the fact that bushing is kind of a change in design product. And as our customer transition from one design to another, more so bigger portfolio adopt this bushing kind of application.

That's how -- that's why we are seeing a significant growth there. And we see a very positive turn on this. I'm not able to fully define exactly time line, but we are really hopeful that long term, about 3-plus years, we could hit INR253 crores, INR300 crores long-term kind of goal here. But again, very optimistic right now, it's not -- I don't have a very clear visibility on that, but we are very hopeful.

Management: So based on this plus whatever orders we are already having on hand and the new capacity available in Advantek, that's why we have guided that as against about INR100 crores we did last year. We should be able to do about INR130 crores this year. And therefore, lot of additional business coming in the second half of the current fiscal.

Amit Anwani: Thank you. So thanks for answering the questions all the time. Thank you.

Moderator: Our next question comes from the line of Jason Soans from IDBI Capital. Please go ahead.

Jason Soans: Thank you for taking my question. Sir, you did explain about how Romania's performance has increased, has been better basically due to a better proportion of fixed -- finished cages and finished products. Now I just wanted to understand, sir, if you could give us some color on -- in terms of the semi-finished castings. Now I understand if you do finished cages, you'll do more processes in-house and that's leading to a better margin.

So, is there anything we can do probably where we could do more of finished products and basically add customers to do more processes in-house? Is there something we could look at in terms of Romania that could basically propel margins for us there in that case? Just wanted some color on this. And also the semifinished castings what you spoke about, which end industries does this cater to?

Vishal Rangwala: So first part, as you rightly said, we are continuing to work with our customer to increase the finished product share in the total pie. And as you rightly said, that should give us more value add and opportunity to earn margins. So that is an ongoing project, including converting some of the semifinished current supply into a finished product. So that is all under discussion. We have had some partial success on that, and we are hopeful that we will get more out of it.

And the second part still is that taking bigger volume. So, this is a foundry and overall volume has a significant impact. So, taking in more volume or more top line, even with the semifinished side has a positive impact on this situation. When -- as an example, when we were having a decent margin profitable in Romania, our volumes were at least 30%, 40% higher, even though the proportion of semi-finish was even much higher.

So that we are right now running a deficit versus that point a significant deficit. So, there is a impact of overall volume, which should be helped by overall increase in volume, including semifinished. And then second part is we are working and continue to work on the finished product, which has better value add.

Jason Soans: Sure, sir. And sir, this basically feeds into end user industries will be automotive, industrial or what exactly, if you could give me some color on that?

- Vishal Rangwala:** It's industrial. It is -- Romania is completely industrial facility. It caters to industrial demand, semi finish as well as finished side.
- Jason Soans:** Okay. So it's completely industrial.
- Moderator:** Thank you, sir. Our next question comes from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Yes. Sir, the only question is that we have undertook capex to the tune of, I think, INR300-plus crores. So how much -- I think the INR250 crores has gone towards Advantek. So, what should be the asset turnover ratio going ahead at the peak utilization level? If you could just give color on the same? And for the solar business, how much is the pending receivable amount? These are my questions.
- Maulik Jasani:** Yes. So Saket, on the Advantek side, the spend includes the infrastructure spend, including land and building, which is going to be used for a longer phase also, as I just said in my speech, incremental line -- machine lines will also come in the next year over there. Keeping in that mind, if we utilize the full land and building, we will be able to turn it around 2x, 1.5 to 1.6x till the time we fully utilize the infrastructure.
- On the solar receivables, I don't have a handy numbers, but except some old numbers of around INR10 crores or INR12 crores pending rest are operational ongoing business numbers. I don't have it handy as of now, and we can check offline.
- Saket Kapoor:** Okay. I'll join the queue. Thank you.
- Moderator:** Thank you, sir. Our next question come from the line of Jason Sons from IDBI Capital. Please go ahead.
- Jason Soans:** So thanks for the follow-up. So just wanted to know, sir, since you spoke about in the Bhayla facility, you are increasing value addition, especially for bushings. So, I just wanted to know in terms of total addressable market, sir, are we only looking at bushings towards the wind mill or the wind sector? Or are there any more important and a more larger sectors where bushings can be targeted?
- Vishal Rangwala:** So we are right now focused on bushings in the gearbox segment and wind is the biggest market out of that. And we will work with -- and we continue to work with other industry for this bushings. However, the other segments where bushings are used on the industrial side, I'm not talking automotive bushings or those kind of things.
- But on the industrial side, they are sorry, there was some -- so yes, on the industrial side, other machines we continue to work, but they are very small volume product portfolio with very 10 pieces to -- or rather 2 pieces to 20 pieces kind of demand annually and those kind of things. So, we continue to work there, but it's not a big segment for us right now. It could change in the future.
- Jason Soans:** Okay. Thanks for that.

- Moderator:** Thank you, sir. Our next question come from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Sir, for the current year, what are our current maturities in terms of the debt repayment? And what is the net long-term debt currently?
- Maulik Jasani:** You can find it in our annual report for the 12 months maturity number. Effectively, our Advantek side is still under the moratorium. So, there is no repayment coming up in this year.
- Saket Kapoor:** Okay. And there are tax incentives also in terms of the capex that we have gone through in terms of the interest rate subsidy?
- Maulik Jasani:** Not tax incentive. There is some state subsidies and that is subject to application and actual realization.
- Saket Kapoor:** Okay. I see. Correct, sir. Thank you.
- Maulik Jasani:** Thank you.
- Moderator:** Thank you, sir. Ladies and gentlemen, since there's no question from the participant, I now hand the conference over to Mr. Vishal Rangwala for closing comments. Thank you, and over to you, sir.
- Vishal Rangwala:** Thank you. And I would like to thank you all for your continued confidence in Harsha Engineers and your support. And I wish you all the very good evening. Thank you very much.
- Maulik Jasani:** Thank you. Bye.
- Moderator:** Thank you, sir. Ladies and gentlemen, on behalf of Harsha Engineers International Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.