PL Capital
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Thermax (TMX IN)

Q2FY27 Result Update

November 07, 2026

☑ Estimate Change | ☑ Target | ☑ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		Reduce	
Target Price	3,402		3,952	
Sales (INR mn)	139,668	163,568	144,370	170,559
% Chng.	*(3.3)*	*(4.1)*		
EBITDA (INR mn)	12,849	15,539	14,119	17,397
% Chng.	*(9.0)*	*(10.7)*		
EPS (INR)	67.2	82.5	76.2	96.1
% Chng.	*(11.8)*	*(14.2)*		

Key Data	THMX.BO | TMX IN
BSE Code	500411
NSE Code	THERMAX
52-W High / Low	INR 5,271 / INR 2,666
Face Value	2
Sensex / Nifty	81,028 / 25,030
Market Cap	INR 327 bn / $ 3,485 mn
Shares Outstanding	119.16 mn
3M Avg. Daily Value	INR 633.15 mn

Shareholding Pattern (%)

Promoters	61.99
FIIs	11.30
Mutual Funds	12.33
Domestic Institutions	2.61
Public and Others	11.77
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(14.8)	(31.2)	(32.6)	(15.6)
Relative	(23.2)	(32.9)	(35.1)	(13.2)

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	106,260	120,327	139,668	163,568
EBITDA (INR mn)	9,581	9,385	12,849	15,539
Margin (%)	*9.0*	*7.8*	*9.2*	*9.5*
PAT (INR mn)	6,170	5,945	8,008	9,825
EV (INR mn)	326,382	333,277	337,206	340,183
Total Debt (INR mn)	23,525	32,525	41,525	48,525
C&C Eq. (INR mn)	11,907	13,012	17,083	20,106
EPS (INR)	51.8	49.9	67.2	82.5
Gr. (%)	*4.9*	*(3.6)*	*34.7*	*22.7*
DPS (INR)	12.0	15.0	20.2	24.7
Yield (%)	*0.4*	*0.5*	*0.7*	*0.9*
RoE (%)	*11.8*	*10.3*	*12.7*	*14.0*
RoCE (%)	*10.3*	*8.0*	*9.8*	*10.6*
EV/Sales (x)	3.1	2.8	2.4	2.1
EV/EBITDA (x)	34.1	35.5	26.2	21.9
PE (x)	53.0	55.0	40.9	33.3
P/BV (x)	5.9	5.5	4.9	4.4

Weak Q2, watchful on margins and order bookings

Quick Pointers

- Management expects H2 Revenue of INR 70bn and materialisation of INR 300mn of deferred orders in Q3
- Input cost inflation (INR 300-400mn), project impairment (INR 150 mn) and shipping delays impact profitability

We revised our EPS estimates by -11.7%/-14.2% for FY28E/FY29E factoring in margins drag amid slower execution ramp up in Industrial Products and Infra, lingering input pressure as well as continued losses in Green Solutions business. Thermax (TMX IN) reported another weak performance following Q1, with Q2 revenue growing 10.6% YoY and EBITDA margin declining 4bps YoY to 6.4%, impacted by commodity cost inflation across Industrial Products and Chemicals, delayed international dispatches and project impairment in Green Solutions. Industrial Products margins remained under pressure from higher steel, copper and crude derivative costs, as well as delayed shipments. However, management considers these impacts largely transient and expects a recovery from Q3. Growth in Industrial Infrastructure remained muted as execution remained focused on legacy projects, which are expected to be completed during FY27. Customer change-order claims should support incremental margin recovery, while INR1bn is being invested in debottlenecking and capacity expansion. Chemicals remained relatively resilient, with price increases largely offsetting input cost inflation. Green Solutions continued to weigh on profitability, with FEPL losses expected to persist through H2FY27; however, management is exploring induction of an external partner and closure of legacy BioCNG performance obligations to help contain further losses. Management expects H2FY27 revenue to exceed INR70bn and FY27 order inflows to grow YoY, supported by supercritical boilers and industrial demand. Further, materialisation of deferred orders in Q3 and execution of higher margin international orders delayed due to shipment is expected to support near term growth. Data centre opportunities in India and the US, renewed interest in CBG and new product portfolio provide further medium term growth avenues. The stock is currently trading at a PE of 40.9x/33.3x on FY28/29E. Given the sharp stock correction, we upgrade our rating from "Reduce" to "Buy", and roll forward to Sep'28E; valuing the core business (ex-Green Solutions) at 36x Sep'28E PE (earlier 40x Mar'28E), arriving at a revised SoTP-derived TP of INR 3,402 (INR3,952 earlier). However, we continue to remain watchful on margin impact from raw material cost volatility and supply chain issues, profitability of Green Solutions and order inflow momentum.

In the long term, TMX is well placed to gain from increasing thrust on energy transition & de-carbonization led by its 1) sustainable green industrial solutions in bioenergy, heating & cooling, chemicals and water, 2) technical expertise, 3) prudent working capital management, and 4) emerging opportunities for cooling and heating solutions from data centre.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	*% Var.*	Q2'26A	*YoY gr. (%)*
Net Sales (INR mn)	28,495	27,359	*(4.0)*	24,739	*10.6*
EBITDA (INR mn)	2,080	1,742	*(16.2)*	1,720	*1.3*
Margin (%)	*7.3*	*6.4*	*(90) bps*	*7.0*	*(60) bps*
PAT (INR mn)	1,325	1,012	*(23.6)*	1,197	*(16.1)*

Source: Company, PL

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Weak gross margins and high depreciation impacted overall profitability: Consol. Revenue increased by 10.6% YoY to INR 27bn (Ex. Package Scheme of Incentive of INR 199.5mn) (Ple: INR 28.5bn) led by growth across segments. Adj. EBITDA increased by 1.3% YoY to INR 1.9bn (PLe: INR 2.1bn). EBITDA margin contracted by 4bps YoY to 6.4%(Ple:7.3%) due to lower gross margin (-167bps YoY), adverse product mix in Industrial products and Chemicals offset marginally by higher profitability in Industrial Infra segment on account of better execution and higher PSI income. Adj. PBT decreased by 2.8% YoY to INR 1.7bn (PLe: INR 1.8bn) due to higher depreciation (+36.3% YoY), higher interest expense (+14.8% YoY). Adj. PAT decreased by 15.4% YoY to INR 1.0bn (Ple: INR 1.3bn) due to higher effective tax rate (+176bps YoY to 33.0%). Order inflow decreased by 8%YoY to INR 32.6bn. Order book stands at INR 142.5bn (1.3x TTM revenue).

Segmental Overview: Revenue growth was driven by Industrial Products (+9.7% YoY to INR 13.0bn), Industrial Infrastructure (+4.0% YoY to INR 9.9bn), Green Solutions (+50.2% YoY to INR 2.9bn) and Chemicals (+18.1% YoY to INR 2.3bn). Industrial Products margin came in at 6.1% (vs 9.9% in Q2FY26); Industrial Infra margin came in at 5.7% (vs -1.6% in Q2FY26); Green Solutions margin contracted to -8.7% (vs 6.1% in Q2FY26) impacted by INR 150 mn provision impairment on renewable projects; Chemicals margin decreased to 6.5% (vs 9.8% in Q2FY26).

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	*YoY gr. (%)*	Q2FY27	*YoY gr. (%)*	Q3FY27E	*YoY gr. (%)*	Q4FY27E	*YoY gr. (%)*
Sales	23,003	*9.4%*	27,359	*10.6%*	31,048	*17.8%*	38,917	*13.9%*
EBITDA	662	*-60.9%*	1,742	*1.3%*	3,012	*18.2%*	3,970	*9.7%*
Margin (%)	*2.9*	*(517.9)*	*6.4*	*(58.7)*	*9.7*	*2.8*	*10.2*	*(39.5)*
Adj. PAT	240	*-79%*	1,012	*-15%*	1,965	*30%*	2,729	*17%*

Source: Company, PL

Exhibit 2: Revenue growth across segments; profitability impacted by higher input cost, adverse mix and project impairment expense

INR mn	Q2FY27	Q2FY26	*YoY gr.*	Q2FY27E	*% Var.*	Q1FY27	*QoQ gr.*	H1FY27	H1FY26	*YoY gr.*
Revenue	**27,359**	**24,739**	***10.6%***	**28,495**	***-4.0%***	**23,003**	***18.9%***	**50,362**	**45,756**	***10.1%***
Gross Profit	12,416	11,641	*6.7%*	13,250	*-6.3%*	10,797	*15.0%*	23,213	21,981	*5.6%*
Margin (%)	*45.4*	*47.1*	*(167)*	*46.5*	*(112)*	*46.9*	*(156)*	*46.1*	*48.0*	*(195)*
Employee Cost	4,049	3,405	*18.9%*	3,847	*5.3%*	3,715	*9.0%*	7,764	6,695	*16.0%*
as % of sales	*14.8*	*13.8*	*104*	*13.5*	*130*	*16.1*	*(135)*	*15.4*	*14.6*	*78*
Other expenditure	6,625	6,516	*1.7%*	7,323	*-9.5%*	6,421	*3.2%*	13,046	11,873	*9.9%*
as % of sales	*24.2*	*26.3*	*(212)*	*25.7*	*(149)*	*27.9*	*(370)*	*25.9*	*25.9*	*(4)*
EBITDA	**1,742**	**1,720**	***1.3%***	**2,080**	***-16.3%***	**662**	***163.3%***	**2,403**	**3,413**	***-29.6%***
Margin (%)	*6.4*	*7.0*	*(59)*	*7.3*	*(93)*	*2.9*	*349*	*4.8*	*7.5*	*(269)*
Depreciation	702	515	*36.3%*	620	*13.1%*	595	*17.9%*	1,297	1,004	*29.2%*
EBIT	**1,040**	**1,206**	***-13.7%***	**1,460**	***-28.7%***	**66**	***1469.2%***	**1,107**	**2,410**	***-54.1%***
Margin (%)	*3.8*	*4.9*	*(107)*	*5.1*	*(132)*	*0.3*	*351*	*2.2*	*5.3*	*(307)*
Other Income	818	854	*-4.2%*	750	*9.1%*	682	*19.9%*	1,500	1,510	*-0.7%*
Interest Costs (other than fin serv.)	369	322	*14.8%*	370	*-0.2%*	352	*5.0%*	721	624	*15.6%*
PBT (ex. Extra-ordinaries)	**1,489**	**1,738**	***-14.3%***	**1,840**	***-19.1%***	**397**	***275.4%***	**1,886**	**3,296**	***-42.8%***
Margin (%)	*5.4*	*7.0*	*(158)*	*6.5*	*(101)*	*1.7*	*372*	*3.7*	*7.2*	*(346)*
Extraordinary Items	200	-	-	-	-	25	*707.7%*	224	558	*-59.8%*
PBT	**1,689**	**1,738**	***-2.8%***	**1,840**	***-8.2%***	**421**	***300.7%***	**2,110**	**3,854**	***-45.3%***
Total Tax	558	543	*2.7%*	515	*8.2%*	204	*174.0%*	761	1,143	*-33.4%*
Effective Tax Rate (%)	*33.0*	*31.2*	*179*	*28.0*	*502*	*48.3*	*(1,528)*	*36.1*	*29.7*	*642*
PAT before JVs/MI	**1,131**	**1,195**	***-5.4%***	**1,325**	***-14.6%***	**218**	***419.1%***	**1,349**	**2,712**	***-50.3%***
Share of JVs/MI	14	1	*1000.0%*	-	-	35	*-58.6%*	49	9	*454.5%*
Reported PAT	**1,145**	**1,197**	***-4.3%***	**1,325**	***-13.5%***	**252**	***353.8%***	**1,398**	**2,720**	***-48.6%***
Adj. PAT	**1,012**	**1,197**	***-15.4%***	**1,325**	***-23.6%***	**240**	***322.2%***	**1,251**	**2,320**	***-46.1%***
Adj. EPS	**8.5**	**10.0**	***-15.4%***	**11.1**	***-23.6%***	**2.0**	***322.2%***	**10.5**	**19.5**	***-46.1%***

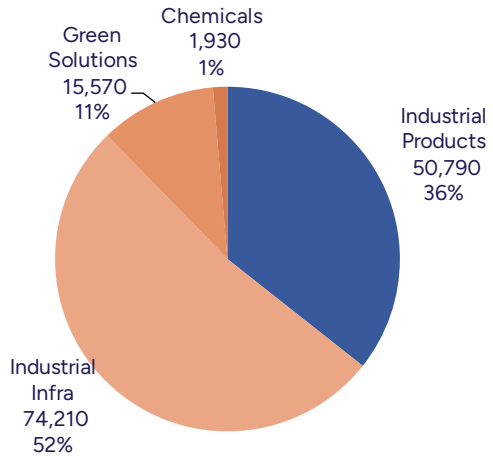
Source: Company, PL

Exhibit 3: Commodity inflation and delay in shipping impacted Industrial Products and Chemicals EBIT

Segment Performance	Q2FY27	Q2FY26	YoY gr.	Q2FY27E	% Var.	Q1FY27	QoQ gr.	H1FY27	H1FY26	YoY gr.
Revenue (INR mn)										
Industrial Products	13,037	11,888	*9.7%*	14,231	*-8.4%*	10,582	*23.2%*	23,618	21,389	*10.4%*
Industrial Infrastructure	9,863	9,487	*4.0%*	10,675	*-7.6%*	8,117	*21.5%*	17,980	17,304	*3.9%*
Green Solutions	2,880	1,917	*50.2%*	2,195	*31.2%*	2,447	*17.7%*	5,327	4,292	*24.1%*
Chemicals	2,255	1,910	*18.1%*	2,044	*10.3%*	2,295	*-1.7%*	4,551	3,642	*24.9%*
EBIT (INR mn)										
Industrial Products	794	1,173	*-32.3%*	968	*-17.9%*	642	*23.7%*	1,436	1,965	*-26.9%*
Industrial Infrastructure	560	(148)	*-477.5%*	267	*109.8%*	(707)	*-179.2%*	(147)	684	*-121.4%*
Green Solutions	(250)	118	*-312.9%*	(22)	*NA*	(169)	*48.5%*	(419)	64	*-753.2%*
Chemicals	147	187	*-21.7%*	204	*-28.3%*	256	*-42.8%*	403	348	*15.8%*
EBIT Margin (%)										
Industrial Products	6.1	9.9	*-377*	6.8	*-71*	6.1	*3*	6.1	9.2	*-311*
Industrial Infrastructure	5.7	-1.6	*724*	2.5	*318*	-8.7	*1,438*	-0.8	4.0	*-477*
Green Solutions	-8.7	6.1	*-1,482*	-1.0	*-769*	-6.9	*-180*	-7.9	1.5	*-935*
Chemicals	6.5	9.8	*-330*	10.0	*-350*	11.2	*-467*	8.9	9.6	*-70*

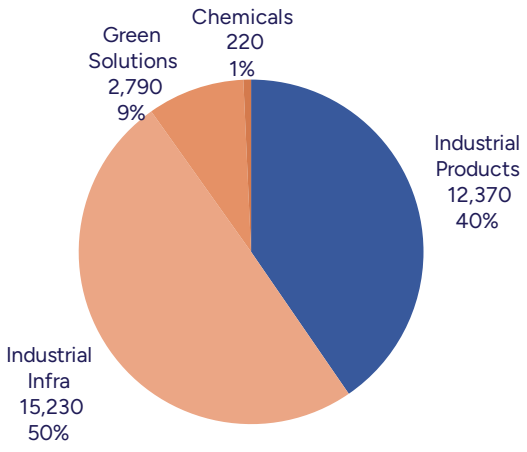
Source: Company, PL

Exhibit 4: Order book remains healthy at INR142.5bn (1.3x TTM sales)



Source: Company, PL

Exhibit 5: Order Inflow decreased by ~8% YoY to INR33bn



Source: Company, PL

Exhibit 6: Green Solutions include TOESL and FEPL subsidiaries; Roll forward to Sep-28E valuing core business at 36x P/E

	Sep'28E (INR mn)	Valuation basis	Target multiple (X)	Targeted Value (INR mn)	Value/Share
Core Business PAT	10,561	P/E	36	380,193	3,191
Green Solutions BV	8,411	P/B	3	25,234	212
Total Target (INR Mn)				**405,427**	**3,402**

Source: Company, PL

Conference Call Highlights:

Order Outlook and Guidance: Management remains confident of achieving YoY growth in order inflows during FY27, with bookings expected to pick up in Q3 and Q4. The extent of growth, whether single or double digit, will depend on customers' ability to absorb higher pricing amid the evolving operating environment. Thermax expects to secure at least one supercritical boiler order during FY27, while the high base of the previous year, which included a large utility boiler order, remains a factor. Management expects H2FY27 revenue to exceed INR70bn. Overall Revenue execution of INR2.8bn was lower than the expected INR3.1bn, resulting in a slippage of INR2-3bn into Q3.

Industrial Products: Order inflows recovered in October following a period of moderation, with management expecting a meaningful pickup in Q3 and the INR3bn Q2 shortfall to be made up in Q3. Segment profitability was impacted by commodity inflation across steel, copper and crude derivatives, including plastics and styrene. Steel prices increased 10-15%, while higher copper prices also impacted electrical equipment costs. The overall commodity impact was approximately INR100-150mn in Q2, with the impact expected to moderate through Q3 and Q4 as input costs normalise. Delayed shipments and inventory in transit also contributed to the impact. Some profitable international orders have shifted from H1 to H2, with Q4 typically being the strongest quarter. Management aspires to achieve 9-10% full-year margins in the segment and remains confident of delivering double-digit growth, supported by new product offerings and healthy demand.

Industrial Infrastructure: Segment profitability is expected to improve as legacy project execution approaches completion and customer change-order claims are realised. Management highlighted substantial claims against customers, with reasonable confidence of recovery, which could provide incremental margin support. Thermax is undertaking plant debottlenecking and investing nearly INR1bn in capacity expansion, while also engaging sub-vendors to address manufacturing bottlenecks and outsource select activities. Going forward, the focus will remain on boiler supply rather than full EPC execution, particularly for supercritical projects, with limited exposure to civil construction and BOP.

Large Infra Order Execution: Execution of legacy FGD and large government orders with multi-year timelines has weighed on industrial infrastructure profitability. Management expects customer change orders to compensate for the cost overruns, with no further margin impact anticipated from these projects. HRRL order execution was completed in Q1, with only change orders pending, while one FGD project was completed in Q1 and the remaining projects are expected to be completed during FY27.

Green Solutions: Segment performance remains mixed, with TOESL continuing to perform strongly, while FEPL and BioCNG operations remain under pressure. FEPL is expected to report losses in Q3 and Q4, following an impairment on the Tamil Nadu project in Q2 due to high capex and pending government approvals. Management is evaluating the induction of an external partner, with the process targeted for completion by Q1FY28. TOESL continues to deliver strong performance, supported by a healthy pipeline and consistent execution against targets. In BioCNG, three of five pending PGTRs have been completed, while the remaining two rice-straw projects are expected to enter performance testing shortly, following feedstock availability issues at customers' end. Quarterly losses remain in single digits but are narrowing. Government-led pricing revisions have improved enquiry traction, particularly for smaller 5-10 TPD and larger 15-20 TPD plants, with fresh orders expected to reflect in the backlog by Q4FY27. Current order backlog stands at INR1.4bn, with no fresh orders secured over the past 2.5 years.

Chemicals: Commodity inflation of INR200-250mn across Q1 and Q2 was largely offset through price increases, limiting the net impact on the chemicals business to approximately INR20mn in H1. Higher prices in the water and chemicals businesses have resulted in some delays in customer purchase decisions and service refills, which management considers largely timing-related. Thermax has been able to sustain its price increases despite relatively lower hikes by some domestic competitors and expects the industry to eventually undertake similar price revisions as elevated input costs persist. October performance was strong, supporting expectations of a stable Q3.

Data Centres: Thermax secured a cooling order in India during Q2 and expects another reasonable-sized order in Q3, with typical domestic orders ranging between INR400-1,000mn. Performance in the US remained below expectations on both order booking and revenue recognition, primarily due to delays in local authority approvals rather than any concerns around product-market fit. Most projects have witnessed delays of 1-3 months, resulting in initial project shipments shifting from Q2 to Q3 and Q4. However, customer engagement is deepening, with Thermax increasingly involved in project design specifications. The first US order, slightly above US$20mn, represented a medium-sized product opportunity, while larger data centre projects offer significantly higher potential as customer funding and ordering cycles progress.

New Products and Technologies: Thermax continues to expand its product portfolio across cooling, heating and clean energy solutions. New offerings include hybrid CLCTs, heat pumps with operating temperatures of 120°C (targeting 140°C) and electric boilers. The company has also secured a gas purification order for green hydrogen. Its iBoiler offering provides automated optimisation and improved operating efficiency, positioning it at the premium end of the market. The initial product range addresses a potential market of a few hundred crores, against Thermax's overall heating business of INR15-20bn. Government initiatives around community boilers are also expected to benefit Thermax, as service providers deploying these solutions are using its boilers. These product launches and expanded offerings underpin management's confidence in sustaining double-digit growth in Industrial Products.

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**106,260**	**120,327**	**139,668**	**163,568**
YoY gr. (%)	*2.9*	*13.2*	*16.1*	*17.1*
Cost of Goods Sold	55,596	64,254	74,024	86,527
Gross Profit	50,664	56,072	65,644	77,040
Margin (%)	*47.7*	*46.6*	*47.0*	*47.1*
Employee Cost	14,212	15,883	17,877	20,446
Other Expenses	9,243	13,477	15,084	17,829
EBITDA	**9,581**	**9,385**	**12,849**	**15,539**
YoY gr. (%)	*13.8*	*(2.0)*	*36.9*	*20.9*
Margin (%)	*9.0*	*7.8*	*9.2*	*9.5*
Depreciation and Amortization	2,076	2,516	3,043	3,362
EBIT	**7,504**	**6,869**	**9,807**	**12,177**
Margin (%)	*7.1*	*5.7*	*7.0*	*7.4*
Net Interest	1,390	1,527	2,036	2,386
Other Income	2,520	3,008	3,352	3,762
Profit Before Tax	**10,084**	**8,350**	**11,122**	**13,552**
Margin (%)	*9.5*	*6.9*	*8.0*	*8.3*
Total Tax	2,877	2,405	3,114	3,727
Effective Tax Rate (%)	*28.5*	*28.8*	*28.0*	*27.5*
Profit After Tax	**7,207**	**5,945**	**8,008**	**9,825**
Minority Interest	(2)	-	-	-
Share Profit from Associate	(4)	-	-	-
Adjusted PAT	**6,170**	**5,945**	**8,008**	**9,825**
YoY gr. (%)	*4.9*	*(3.6)*	*34.7*	*22.7*
Margin (%)	*5.8*	*4.9*	*5.7*	*6.0*
Extra Ord. Income / (Exp)	1,035	-	-	-
Reported PAT	**7,205**	**5,945**	**8,008**	**9,825**
YoY gr. (%)	*13.6*	*(17.5)*	*34.7*	*22.7*
Margin (%)	*6.8*	*4.9*	*5.7*	*6.0*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	7,205	5,945	8,008	9,825
Equity Shares O/s (mn)	**119**	**119**	**119**	**119**
EPS (INR)	**51.8**	**49.9**	**67.2**	**82.5**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**41,716**	**61,517**	**72,953**	**81,638**
Tangibles	41,716	61,517	72,953	81,638
Intangibles	-	-	-	-
Acc: Dep / Amortization	**13,037**	**15,553**	**18,596**	**21,959**
Tangibles	13,037	15,553	18,596	21,959
Intangibles	-	-	-	-
Net Fixed Assets	**28,679**	**45,963**	**54,357**	**59,680**
Tangibles	28,679	45,963	54,357	59,680
Intangibles	-	-	-	-
Capital Work In Progress	16,215	8,915	9,979	11,293
Goodwill	-	-	-	-
Non-Current Investments	11,628	15,171	18,823	23,571
Net Deferred Tax Assets	1,346	1,346	1,346	1,346
Other Non-Current Assets	3,464	4,211	4,888	5,725
Current Assets				
Investments	12,767	13,767	14,767	15,767
Inventories	9,095	9,890	11,671	13,892
Trade Receivables	22,048	25,054	28,890	34,058
Cash & Bank Balance	11,907	13,012	17,083	20,106
Other Current Assets	5,941	7,220	8,380	9,487
Total Assets	**131,074**	**152,625**	**178,936**	**204,260**
Equity				
Equity Share Capital	225	225	225	225
Other Equity	55,274	59,790	66,014	73,437
Total Networth	**55,500**	**60,015**	**66,240**	**73,663**
Non-Current Liabilities				
Long Term Borrowings	16,734	24,060	30,654	34,589
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	6,792	8,465	10,871	13,936
Trade Payables	20,574	23,076	26,786	31,369
Other Current Liabilities	32,529	38,062	45,439	51,756
Total Equity & Liabilities	**131,074**	**152,625**	**178,936**	**204,260**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	10,084	8,350	11,122	13,552
Add. Depreciation	2,076	2,516	3,043	3,362
Add. Interest	1,252	1,527	2,036	2,386
Less Financial Other Income	2,520	3,008	3,352	3,762
Add. Other	(2,217)	(3,008)	(3,352)	(3,762)
Op. Profit before WC Changes	11,195	9,385	12,849	15,539
Net Changes-WC	(2,285)	1,397	1,786	(460)
Direct Tax	3,495	2,405	3,114	3,727
Net Cash from Op. Activities	**5,416**	**8,378**	**11,521**	**11,352**
Capital Expenditures	(8,953)	(12,500)	(12,500)	(10,000)
Interest / Dividend Income	1,361	3,008	3,352	3,762
Others	1,721	(3,824)	(3,481)	(4,302)
Net Cash from Invt. Activities	**(5,871)**	**(13,315)**	**(12,629)**	**(10,540)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	5,585	9,000	9,000	7,000
Dividend Paid	(1,577)	(1,430)	(1,784)	(2,402)
Interest Paid	(1,619)	(1,527)	(2,036)	(2,386)
Others	87	-	-	-
Net Cash from Fin. Activities	**2,476**	**6,043**	**5,180**	**2,211**
Net Change in Cash	**2,021**	**1,105**	**4,071**	**3,023**
Free Cash Flow	(4,109)	(4,122)	(979)	1,352

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**26,347**	**34,157**	**23,003**	**27,359**
YoY gr. (%)	*5.1*	*10.7*	*9.4*	*10.6*
Raw Material Expenses	13,705	18,116	12,205	14,944
Gross Profit	12,642	16,041	10,797	12,416
Margin (%)	*48.0*	*47.0*	*46.9*	*45.4*
EBITDA	**2,548**	**3,620**	**661**	**1,742**
YoY gr. (%)	*34.8*	*20.8*	*(60.9)*	*1.3*
Margin (%)	*9.7*	*10.6*	*2.9*	*6.4*
Depreciation / Depletion	533	540	595	702
EBIT	**2,015**	**3,079**	**66**	**1,040**
Margin (%)	*7.6*	*9.0*	*0.3*	*3.8*
Net Interest	342	424	352	369
Other Income	473	537	682	818
Profit before Tax	**2,888**	**3,341**	**421**	**1,689**
Margin (%)	*11.0*	*9.8*	*1.8*	*6.2*
Total Tax	837	897	204	558
Effective Tax Rate (%)	*29.0*	*26.9*	*48.3*	*33.0*
Profit After Tax	**2,051**	**2,444**	**218**	**1,131**
Minority Interest	8	1	(35)	(14)
Share Profit from Associate	(1)	-	-	-
Adjusted PAT	**1,516**	**2,338**	**235**	**1,012**
YoY gr. (%)	*30.8*	*13.6*	*(79.2)*	*(15.4)*
Margin (%)	*5.8*	*6.8*	*1.0*	*3.7*
Extra Ord. Income / (Exp)	526	105	18	134
Reported PAT	**2,042**	**2,443**	**252**	**1,145**
YoY gr. (%)	*76.2*	*18.7*	*(83.4)*	*(4.3)*
Margin (%)	*7.7*	*7.2*	*1.1*	*4.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**2,042**	**2,443**	**252**	**1,145**
Avg. Shares O/s (mn)	119	119	119	119
EPS (INR)	**12.7**	**19.6**	**2.0**	**8.5**

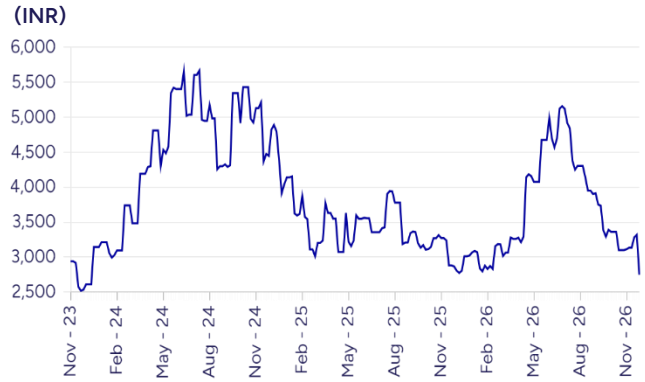
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	51.8	49.9	67.2	82.5
CEPS	69.2	71.0	92.7	110.7
BVPS	465.8	503.7	555.9	618.2
FCF	(34.5)	(34.6)	(8.2)	11.3
DPS	12.0	15.0	20.2	24.7
Return Ratio (%)				
RoCE	10.3	8.0	9.8	10.6
ROIC	11.1	8.3	10.3	11.2
RoE	11.8	10.3	12.7	14.0
Balance Sheet				
Net Debt : Equity (x)	-	0.1	0.1	0.2
Net Working Capital (Days)	36	36	36	37
Valuation (x)				
PER	53.0	55.0	40.9	33.3
P/B	5.9	5.5	4.9	4.4
P/CEPS	39.7	38.7	29.6	24.8
EV/EBITDA	34.1	35.5	26.2	21.9
EV/Sales	3.1	2.8	2.4	2.1
Dividend Yield (%)	0.4	0.5	0.7	0.9
FCFF Yield (%)	(1.3)	(1.3)	-	0.4
PEG Ratio	10.7	(15.1)	1.2	1.5

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Oct-26	REDUCE	3230	3952
2	01-Aug-26	Reduce	3952	4306
3	08-Jul-26	Reduce	3969	4603
4	08-May-26	REDUCE	3969	4678
5	09-Apr-26	Accumulate	3374	3535
6	06-Feb-26	Accumulate	3374	2916
7	07-Jan-26	Accumulate	3513	3069
8	12-Nov-25	Accumulate	3513	3061
9	07-Oct-25	Hold	3633	3185
10	12-Sep-25	Hold	3633	3330

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	7005	6944
2	Apar Industries	Accumulate	16674	15846
3	BEML	Accumulate	2011	2007
4	Bharat Electronics	BUY	490	380
5	BHEL	REDUCE	426	464
6	Carborundum Universal	Accumulate	1178	1114
7	Cummins India	BUY	5334	4059
8	Elgi Equipments	Accumulate	602	638
9	Engineers India	BUY	328	252
10	GE Vernova T&D India	BUY	5928	4020
11	Grindwell Norton	Accumulate	2245	1955
12	Harsha Engineers International	Accumulate	520	462
13	Hindustan Aeronautics	BUY	4746	5795
14	Hitachi Energy India	HOLD	34026	31610
15	Ingersoll-Rand (India)	Accumulate	4089	5029
16	Kalpataru Projects International	Accumulate	1472	1454
17	KEC International	BUY	406	316
18	Kirloskar Pneumatic Company	BUY	790	536
19	Larsen & Toubro	BUY	4437	3665
20	Praj Industries	BUY	353	242
21	Siemens	HOLD	3793	3831
22	Siemens Energy India	BUY	3344	3655
23	Solar Industries India	BUY	23124	19393
24	Thermax	REDUCE	3230	3952
25	Triveni Turbine	HOLD	615	529
26	Voltamp Transformers	BUY	11858	10262

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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