

February 7, 2025

## Q3FY25 Result Update

☒ Change in Estimates | ☒ Target | ☒ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>ACCUMULATE</b>		<b>REDUCE</b>	
<b>Target Price</b>	<b>3,857</b>		<b>4,275</b>	
Sales (Rs. m)	1,23,410	1,37,784	1,23,097	1,37,684
% Chng.	0.3	0.1		
EBITDA (Rs. m)	11,107	13,089	11,202	13,218
% Chng.	(0.8)	(1.0)		
EPS (Rs.)	67.7	76.8	68.3	76.9
% Chng.	(0.8)	(0.2)		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	93,235	1,03,133	1,23,410	1,37,784
EBITDA (Rs. m)	7,974	8,560	11,107	13,089
Margin (%)	8.6	8.3	9.0	9.5
PAT (Rs. m)	5,894	5,987	8,071	9,147
EPS (Rs.)	49.5	50.2	67.7	76.8
Gr. (%)	30.8	1.6	34.8	13.3
DPS (Rs.)	12.0	15.1	20.3	23.0
Yield (%)	0.4	0.4	0.6	0.7
RoE (%)	14.2	12.8	15.4	15.5
RoCE (%)	12.5	11.2	12.3	11.8
EV/Sales (x)	4.2	3.8	3.2	3.0
EV/EBITDA (x)	49.2	46.2	36.1	31.1
PE (x)	68.4	67.4	50.0	44.1
P/BV (x)	9.1	8.2	7.2	6.5

### Key Data

THMX.BO | TMX IN

52-W High / Low	Rs.5,840 / Rs.3,151
Sensex / Nifty	77,860 / 23,560
Market Cap	Rs.403bn / \$ 4,613m
Shares Outstanding	119m
3M Avg. Daily Value	Rs.535.65m

### Shareholding Pattern (%)

Promoter's	61.99
Foreign	15.49
Domestic Institution	12.66
Public & Others	9.86
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(17.4)	(22.9)	3.0
Relative	(17.0)	(21.3)	(4.5)

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## Dismal Q3; Industrial infra recovery remains in focus

### Quick Pointers:

- During the quarter, company missed out on revenue worth ~Rs5.0bn and profitability of ~Rs600mn due to delayed offtake of inventory by customers.
- Domestic/Export order book mix stands at 76/24% (vs 89/11% YoY).

**We largely maintain our FY26/27E EPS estimates and upgrade the rating to 'Accumulate' from 'Reduce' due to recent sharp correction in the stock price. Thermax (TMX) reported weak Q3 with 7.9% YoY revenue growth and EBITDA margin declining by 53bps YoY to 7.5% impacted by weaker performance in industrials infra segment. Less profitable FGD orders are nearing completion, offering relief for Industrial Infra segment, further bolstered by increasing traction from Refinery & Petchem, Power, Steel and Cement sectors. Increasing acceptance of Heat Pumps will aid growth in its Industrial Projects segment. Additionally, the Chemical segment is expanding into construction and flooring chemicals, opening up new growth avenues despite anticipated short-term margin pressures from necessary investments. In the Green Solutions segment, while FEPL faced execution challenges due to the Tamil Nadu floods, the TOESL business continues to grow steadily. With subdued Q3 behind it, management is optimistic about a robust Q4.**

**We believe TMX is well placed to gain from increasing thrust on energy transition & de-carbonization led by its 1) sustainable green industrial solutions in bio-energy, heating & cooling, chemicals, and water, 2) technical expertise, and 3) prudent working capital management. However, near term margin recovery in industrial infra segment is key monitorable. The stock is currently trading at a PE of 50.0x/44.1x on FY26/27E. We value the core business (ex. Green Solutions) at a PE of 45x Sep'26E (50x Sep'26E earlier) with a revised SoTP derived TP of Rs3,857 (Rs4,275 earlier) due to prolonged execution challenges in Industrial Infrastructure segment. Upgrade to 'Accumulate'.**

**Lower gross margin and higher employee costs drag down profitability:** Consol. revenue rose 7.9% YoY to Rs25.1bn (PL: Rs26.6bn). Domestic/Export revenue mix stood at 79/21% (vs 77/23% in Q3FY24). EBITDA margin fell by 53bps YoY to 7.5% (PL: 8.6%) led by gross margin contraction and relatively higher employee costs (up 30bps YoY % of sales). Industrial Products margin came in at 11.3% (vs 9.9% in Q3FY24); Industrial Infra margin fell to 0.1% (vs 3.5% in Q3FY24) primarily due to execution of lower margin projects; Green Solutions margin fell to 9.5% (vs 10.8% in Q3FY24); Chemicals margin declined to 13.8% (vs 20.6% in Q3FY24) due to higher input costs. PAT fell 19.3% YoY to Rs1.2bn (PL: Rs1.6bn), due to a weaker operating performance and lower other income (-46.0% YoY to Rs315mn).

**Order book stands strong at Rs113.8bn (1.1x TTM revenue):** Order inflow declined 8.4% YoY to Rs23.0bn, due to no large order booking during the quarter in Industrial Infra (-46.3% YoY to Rs6.7bn) and Green Solutions (-51.0% YoY to Rs470mn). Industrial Product order inflow grew by 40.3% YoY to Rs13.9bn while Chemical order intake grew by 9.8% YoY to Rs1.9bn. Order book stands at Rs113.8bn (1.1x TTM revenue), with an Industrial Products/Industrial Infra/Green Solutions/Chemicals mix of 39/51/8/2%, and a domestic/export mix of 76/24%.

**Exhibit 1: Lower GM (-39bps YoY) and higher employee costs (+10.5% YoY) led to EBITDA margin decline of 53bps YoY to 7.5%**

Rs mn	Q3FY25	Q3FY24	YoY gr.	Q3FY25E	Var.	Q2FY25	QoQ gr.	9MFY25	9MFY24	YoY gr.
<b>Revenue</b>	<b>25,078</b>	<b>23,244</b>	<b>7.9%</b>	<b>26,624</b>	<b>-5.8%</b>	<b>25,456</b>	<b>-1.5%</b>	<b>47,300</b>	<b>42,354</b>	<b>11.7%</b>
Gross Profit	11,083	10,363	6.9%	11,714	-5.4%	11,051	0.3%	20,608	18,775	9.8%
Margin (%)	44.2	44.6	(39)	44.0	19	43.4	78	43.6	44.3	(76)
Employee Cost	3,227	2,920	10.5%	3,142	2.7%	3,229	-0.1%	6,142	5,401	13.7%
as % of sales	12.9	12.6	30	11.8	107	12.7	18	13.0	12.8	24
Other expenditure	5,966	5,569	7.1%	6,283	-5.0%	5,703	4.6%	10,934	10,006	9.3%
as % of sales	23.8	24.0	(17)	23.6	19	22.4	139	23.1	23.6	(51)
<b>EBITDA</b>	<b>1,890</b>	<b>1,874</b>	<b>0.8%</b>	<b>2,290</b>	<b>-17.5%</b>	<b>2,120</b>	<b>-10.8%</b>	<b>3,531</b>	<b>3,368</b>	<b>4.8%</b>
Margin (%)	7.5	8.1	(53)	8.6	(106)	8.3	(79)	7.5	8.0	(49)
Depreciation	351	358	-2.1%	450	-22.1%	421	-16.6%	781	624	25.2%
<b>EBIT</b>	<b>1,539</b>	<b>1,516</b>	<b>1.5%</b>	<b>1,840</b>	<b>-16.3%</b>	<b>1,699</b>	<b>-9.4%</b>	<b>2,750</b>	<b>2,745</b>	<b>0.2%</b>
Margin (%)	6.1	6.5	(38)	6.9	(77)	6.7	(54)	5.8	6.5	(67)
Other Income	315	584	-46.0%	580	-45.7%	598	-47.3%	1,439	1,189	21.0%
Interest Costs (other than fin serv.)	287	266	7.7%	300	-4.5%	294	-2.5%	569	332	71.5%
PBT (ex. Extra-ordinaries)	1,568	1,834	-14.5%	2,120	-26.0%	2,003	-21.7%	3,620	3,602	0.5%
Margin (%)	6.3	7.9	(164)	8.0	(171)	7.9	(162)	7.7	8.5	(85)
Extraordinary Items	-	1,261	-100.0%	-	-	660	-100.0%	660	(506)	-230.4%
<b>PBT</b>	<b>1,568</b>	<b>3,095</b>	<b>-49.3%</b>	<b>2,120</b>	<b>-26.0%</b>	<b>2,663</b>	<b>-41.1%</b>	<b>4,280</b>	<b>3,096</b>	<b>38.3%</b>
<b>Total Tax</b>	<b>425</b>	<b>721</b>	<b>-41.0%</b>	<b>498</b>	<b>-14.6%</b>	<b>683</b>	<b>-37.7%</b>	<b>1,201</b>	<b>904</b>	<b>32.9%</b>
Effective Tax Rate (%)	27.1	23.3	384	23.5	364	25.6	150	28.1	29.2	(113)
PAT before JVs/MI	1,142	2,374	-51.9%	1,622	-29.6%	1,980	-42.3%	3,079	2,192	40.5%
Share of JVs/MI	17	(3)	-606.1%	(10)	-267.0%	(10)	-267.0%	50	(26)	-292.6%
<b>Reported PAT</b>	<b>1,159</b>	<b>2,371</b>	<b>-51.1%</b>	<b>1,612</b>	<b>-28.1%</b>	<b>1,970</b>	<b>-41.2%</b>	<b>3,128</b>	<b>2,166</b>	<b>44.4%</b>
<b>Adj. PAT</b>	<b>1,159</b>	<b>1,437</b>	<b>-19.3%</b>	<b>1,612</b>	<b>-28.1%</b>	<b>1,479</b>	<b>-21.7%</b>	<b>2,638</b>	<b>2,541</b>	<b>3.8%</b>
<b>Adj. EPS</b>	<b>9.7</b>	<b>12.1</b>	<b>-19.3%</b>	<b>13.5</b>	<b>-28.1%</b>	<b>12.4</b>	<b>-21.7%</b>	<b>22.1</b>	<b>21.3</b>	<b>3.8%</b>

Source: Company, PL

**Exhibit 2: Industrial Infra margins declined by 343bps YoY to 0.1%; Industrial products margins improved 133bps YoY to 11.3%**

Segment Performance	Q3FY25	Q3FY24	YoY gr.	Q3FY25E	Var.	Q2FY25	QoQ gr.	9MFY25	9MFY24	YoY gr.
<b>Revenue (Rs mn)</b>										
Industrial Products	10,801	10,226	5.6%	11,287	-4.3%	10,576	2.1%	20,184	18,253	10.6%
Industrial Infrastructure	11,317	10,974	3.1%	12,205	-7.3%	11,766	-3.8%	21,017	20,013	5.0%
Green Solutions	1,892	1,235	53.3%	1,844	2.6%	1,751	8.1%	3,488	2,378	46.7%
Chemicals	1,916	1,606	19.3%	2,088	-8.2%	1,903	0.7%	3,612	3,486	3.6%
<b>EBIT (Rs mn)</b>										
Industrial Products	1,215	1,015	19.7%	1,072	13.3%	1,145	6.1%	2,012	1,548	30.0%
Industrial Infrastructure	13	389	-96.6%	549	-97.6%	222	-94.0%	38	875	-95.6%
Green Solutions	180	133	35.3%	203	-11.2%	216	-16.7%	446	180	148.0%
Chemicals	264	331	-20.2%	397	-33.4%	306	-13.7%	610	611	-0.2%
<b>EBIT Margin (%)</b>										
Industrial Products	11.3	9.9	133	9.5	175	10.8	42	10.0	8.5	149
Industrial Infrastructure	0.1	3.5	-343	4.5	-438	1.9	-176	0.2	4.4	-419
Green Solutions	9.5	10.8	-126	11.0	-148	12.3	-283	12.8	7.6	522
Chemicals	13.8	20.6	-683	19.0	-522	16.1	-229	16.9	17.5	-64

Source: Company, PL

**Exhibit 3: Green Solutions include TOESL & FEPL subsidiaries**

	Sep'26E (Rs mn)	Valuation basis	Target multiple (X)	Targeted Value (Rs mn)	Value/Share
Core Business PAT	9,552	P/E	45	429,862	3,608
Green Solutions BV	5,937	P/B	5	29,685	249
<b>Total Target (Rs. Mn)</b>				<b>459,547</b>	<b>3,857</b>

Source: Company, PL

**Conference Call Highlights**

- Management expects Q4FY25 revenue and order intake to be north of ~Rs30bn while profitability to hover at ~10%.
- **Industrial Projects:** The growth in the base orders was lower than management's expectations for Industrial projects. This segment is expected to post a strong double-digit growth in Q4FY25.
  - Ethanol sector has been slower for industrial projects primarily due to financing finalization delays. However, it is expected to improve going into FY26.
  - There is a strong revival in pipeline from Power, Steel, Cement, Refinery & PetChem and international.
  - Coal Gasification is currently dependent on government and management is still not confident about its commercial viability.
  - TMX will bid for the government projects again especially in refinery & petchem tenders minding its execution and profitability profile.
- **FGD Projects:** TMX's FGD projects, including Maithon, are nearing completion. Company incurred higher than anticipated costs in these projects and took another hit of Rs160mn in Q3FY25 in its Maithon project. This project has 2 units, of which, the 1<sup>st</sup> unit is going under testing and commissioning while the 2<sup>nd</sup> unit will go under testing and commissioning in Q4FY25. Company believes that the change orders and other reliefs should benefit the company in Q4.
- **BioCNG:** Company has invested more than Rs1.0bn YTD in BioCNG space. It has taken some losses, however, expects this space to develop going forward. Management believes that the economics of this sector are not sustainable and the government needs to revise the prices of the BioCNG being sold to the end users. Company is currently working on 7 BioCNG plants, out of which 6 are nearing completion. Company hasn't been taking any BioCNG orders due to the complexities of yields from feedstock and economics of the projects however expects to start taking orders again in H2FY26.
- **Industrial Products – Heat Pumps:** Company sees tremendous potential in its Heat Pumps product portfolio. It is starting to take off in the industry with improving acceptance. The applications of this product spans across multiple industries while TMX's technological capabilities is aiding its product differentiation in the market. Management believes that this business can reach the annual revenues of Rs2-3bn in next 2-3 years.

- **Chemicals Segment:** The January month of 2025 was a good month for Chemicals in terms of order booking and execution. Hence, management believes that the Chemicals will perform exceptionally in Q4FY25. Company is further aiming to grow this segment substantially by expanding into construction chemicals, flooring chemicals and other segments. The investments made for this expansion will weigh on profitability in the short term however benefit in the long term.
- **Green Solutions:**
  - **TOESL:** It continues to remain a decent business however order intake for 9MFY25 was below management's expectations. However, this business is expected to get an order intake between Rs500mn-Rs1.0bn in Q4FY25.
  - **FEPL:** The losses in this business have come down. It will remain a loss making business in FY26 and break even in FY27. The quarterly performance was affected lower execution due to its factories being impacted by Tamil Nadu floods. Company will invest Rs5.0bn over the next 2 years to reach its 1 GW aim with better IRR generation.
- **Exports:** Order intake from the exports have picked up pace. During Q3, Industrial projects reported a healthy export order intake of ~Rs5.4bn (vs Rs2.7bn in Q3FY24). Going forward, annual export order intake is expected to be between Rs20-35bn while exports are expected to generate annual revenue of ~Rs30bn.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Net Revenues</b>	<b>93,235</b>	<b>1,03,133</b>	<b>1,23,410</b>	<b>1,37,784</b>
YoY gr. (%)	15.2	10.6	19.7	11.6
Cost of Goods Sold	52,196	57,857	68,616	75,919
Gross Profit	41,039	45,275	54,794	61,865
Margin (%)	44.0	43.9	44.4	44.9
Employee Cost	11,483	12,685	14,933	16,672
Other Expenses	7,704	9,179	10,983	12,263
<b>EBITDA</b>	<b>7,974</b>	<b>8,560</b>	<b>11,107</b>	<b>13,089</b>
YoY gr. (%)	33.4	7.4	29.8	17.9
Margin (%)	8.6	8.3	9.0	9.5
Depreciation and Amortization	1,481	1,661	2,078	2,613
<b>EBIT</b>	<b>6,493</b>	<b>6,899</b>	<b>9,029</b>	<b>10,477</b>
Margin (%)	7.0	6.7	7.3	7.6
Net Interest	876	1,157	1,466	1,919
Other Income	2,326	2,455	3,270	3,720
<b>Profit Before Tax</b>	<b>8,698</b>	<b>8,856</b>	<b>10,833</b>	<b>12,278</b>
Margin (%)	9.3	8.6	8.8	8.9
Total Tax	2,258	2,382	2,763	3,131
Effective tax rate (%)	26.0	26.9	25.5	25.5
<b>Profit after tax</b>	<b>6,440</b>	<b>6,474</b>	<b>8,071</b>	<b>9,147</b>
Minority interest	(21)	-	-	-
Share Profit from Associate	(8)	(5)	-	-
<b>Adjusted PAT</b>	<b>5,894</b>	<b>5,987</b>	<b>8,071</b>	<b>9,147</b>
YoY gr. (%)	30.8	1.6	34.8	13.3
Margin (%)	6.3	5.8	6.5	6.6
Extra Ord. Income / (Exp)	559	482	-	-
<b>Reported PAT</b>	<b>6,453</b>	<b>6,469</b>	<b>8,071</b>	<b>9,147</b>
YoY gr. (%)	43.2	0.3	24.8	13.3
Margin (%)	6.9	6.3	6.5	6.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,453	6,469	8,071	9,147
<b>Equity Shares O/s (m)</b>	<b>119</b>	<b>119</b>	<b>119</b>	<b>119</b>
<b>EPS (Rs)</b>	<b>49.5</b>	<b>50.2</b>	<b>67.7</b>	<b>76.8</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>28,885</b>	<b>33,890</b>	<b>43,291</b>	<b>55,000</b>
Tangibles	28,885	33,890	43,291	55,000
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>10,140</b>	<b>11,801</b>	<b>13,879</b>	<b>16,491</b>
Tangibles	10,140	11,801	13,879	16,491
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>18,745</b>	<b>22,090</b>	<b>29,412</b>	<b>38,509</b>
Tangibles	18,745	22,090	29,412	38,509
Intangibles	-	-	-	-
Capital Work In Progress	5,564	6,559	7,158	7,949
Goodwill	-	-	-	-
Non-Current Investments	6,409	8,090	10,226	12,180
Net Deferred tax assets	963	963	963	963
Other Non-Current Assets	3,740	4,125	5,553	6,889
<b>Current Assets</b>				
Investments	13,635	14,135	15,135	16,135
Inventories	7,649	8,194	9,805	10,947
Trade receivables	22,671	24,865	29,754	33,974
Cash & Bank Balance	9,753	10,888	12,624	13,770
Other Current Assets	6,641	7,116	8,268	8,956
<b>Total Assets</b>	<b>1,00,445</b>	<b>1,12,075</b>	<b>1,35,131</b>	<b>1,57,342</b>
<b>Equity</b>				
Equity Share Capital	225	225	225	225
Other Equity	44,173	49,212	55,487	62,213
<b>Total Network</b>	<b>44,398</b>	<b>49,437</b>	<b>55,712</b>	<b>62,438</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	8,059	11,253	18,628	25,765
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	4,715	5,521	6,647	8,509
Trade payables	15,810	16,671	19,948	21,894
Other current liabilities	28,425	30,155	35,158	39,699
<b>Total Equity &amp; Liabilities</b>	<b>1,00,445</b>	<b>1,12,075</b>	<b>1,35,131</b>	<b>1,57,342</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	8,698	8,851	10,833	12,278
Add. Depreciation	1,481	1,661	2,078	2,613
Add. Interest	837	1,157	1,466	1,919
Less Financial Other Income	2,326	2,455	3,270	3,720
Add. Other	(1,919)	(2,455)	(3,270)	(3,720)
Op. profit before WC changes	9,096	9,215	11,107	13,089
Net Changes-WC	(4,760)	(1,620)	(2,499)	(2,104)
Direct tax	1,863	2,382	2,763	3,131
<b>Net cash from Op. activities</b>	<b>2,473</b>	<b>5,212</b>	<b>5,845</b>	<b>7,855</b>
Capital expenditures	(7,220)	(6,000)	(10,000)	(12,500)
Interest / Dividend Income	872	2,455	3,270	3,720
Others	1,257	(1,944)	(2,619)	(2,587)
<b>Net Cash from Invst. activities</b>	<b>(5,092)</b>	<b>(5,490)</b>	<b>(9,348)</b>	<b>(11,367)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	4,306	4,000	8,500	9,000
Dividend paid	(1,128)	(1,430)	(1,796)	(2,421)
Interest paid	(821)	(1,157)	(1,466)	(1,919)
Others	496	-	-	-
<b>Net cash from Fin. activities</b>	<b>2,854</b>	<b>1,413</b>	<b>5,238</b>	<b>4,659</b>
<b>Net change in cash</b>	<b>235</b>	<b>1,135</b>	<b>1,735</b>	<b>1,147</b>
Free Cash Flow	(5,966)	(788)	(4,155)	(4,645)

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	49.5	50.2	67.7	76.8
CEPS	61.9	64.2	85.2	98.7
BVPS	372.6	414.9	467.6	524.0
FCF	(50.1)	(6.6)	(34.9)	(39.0)
DPS	12.0	15.1	20.3	23.0
<b>Return Ratio(%)</b>				
RoCE	12.5	11.2	12.3	11.8
ROIC	16.8	13.8	14.7	13.2
RoE	14.2	12.8	15.4	15.5
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.2)	(0.2)	0.0	0.1
Net Working Capital (Days)	57	58	58	61
<b>Valuation(x)</b>				
PER	68.4	67.4	50.0	44.1
P/B	9.1	8.2	7.2	6.5
P/CEPS	54.7	52.7	39.7	34.3
EV/EBITDA	49.2	46.2	36.1	31.1
EV/Sales	4.2	3.8	3.2	3.0
Dividend Yield (%)	0.4	0.4	0.6	0.7

Source: Company Data, PL Research

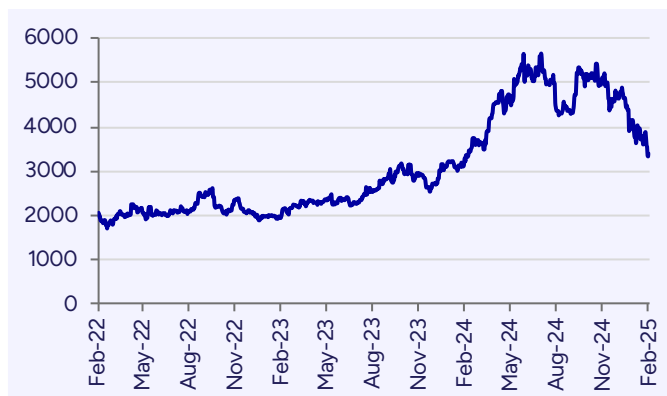
**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
<b>Net Revenue</b>	<b>27,637</b>	<b>21,844</b>	<b>25,456</b>	<b>25,078</b>
YoY gr. (%)	19.6	13.0	10.6	7.9
Raw Material Expenses	15,736	12,288	14,405	13,995
Gross Profit	11,901	9,556	11,051	11,083
Margin (%)	43.1	43.7	43.4	44.2
<b>EBITDA</b>	<b>2,732</b>	<b>1,412</b>	<b>2,120</b>	<b>1,890</b>
YoY gr. (%)	36.6	6.8	3.6	0.8
Margin (%)	9.9	6.5	8.3	7.5
Depreciation / Depletion	499	360	421	351
<b>EBIT</b>	<b>2,233</b>	<b>1,051</b>	<b>1,699</b>	<b>1,539</b>
Margin (%)	8.1	4.8	6.7	6.1
Net Interest	278	275	294	287
Other Income	553	841	598	315
<b>Profit before Tax</b>	<b>2,507</b>	<b>1,617</b>	<b>2,663</b>	<b>1,568</b>
Margin (%)	9.1	7.4	10.5	6.3
Total Tax	633	519	683	425
Effective tax rate (%)	25.2	32.1	25.6	27.1
<b>Profit after Tax</b>	<b>1,874</b>	<b>1,098</b>	<b>1,980</b>	<b>1,142</b>
Minority interest	-	(64)	10	(22)
Share Profit from Associates	2	(4)	-	(5)
<b>Adjusted PAT</b>	<b>1,876</b>	<b>1,158</b>	<b>1,488</b>	<b>1,159</b>
YoY gr. (%)	20.1	20.2	(5.7)	(19.3)
Margin (%)	6.8	5.3	5.8	4.6
Extra Ord. Income / (Exp)	-	-	482	-
<b>Reported PAT</b>	<b>1,876</b>	<b>1,158</b>	<b>1,970</b>	<b>1,159</b>
YoY gr. (%)	20.1	96.7	24.9	(51.1)
Margin (%)	6.8	5.3	7.7	4.6
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,876</b>	<b>1,158</b>	<b>1,970</b>	<b>1,159</b>
Avg. Shares O/s (m)	119	119	119	119
<b>EPS (Rs)</b>	<b>15.7</b>	<b>9.7</b>	<b>12.5</b>	<b>9.7</b>

Source: Company Data, PL Research

**Price Chart**

**Recommendation History**



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jan-25	Reduce	4,275	3,982
2	15-Nov-24	Reduce	4,275	5,004
3	07-Oct-24	Reduce	4,186	5,193
4	05-Aug-24	Reduce	4,237	4,984
5	08-Jul-24	Reduce	3,923	5,605
6	13-May-24	Reduce	3,923	4,609
7	12-Apr-24	UR	-	4,550
8	13-Feb-24	Reduce	3,017	3,319

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	8,133	6,657
2	Apar Industries	Accumulate	8,219	7,179
3	BEML	Accumulate	4,332	3,733
4	Bharat Electronics	BUY	340	279
5	BHEL	Accumulate	226	200
6	Carborundum Universal	Accumulate	1,583	1,245
7	Cummins India	Accumulate	4,139	3,164
8	Elgi Equipments	Accumulate	607	548
9	Engineers India	BUY	247	182
10	GE Vernova T&D India	Accumulate	1,950	1,710
11	Grindwell Norton	BUY	2,511	1,850
12	Harsha Engineers International	Accumulate	561	493
13	Hindustan Aeronautics	Accumulate	4,692	4,110
14	Ingersoll-Rand (India)	BUY	4,467	3,800
15	Kalpataru Projects International	Accumulate	1,306	1,245
16	KEC International	Accumulate	930	813
17	Kirloskar Pneumatic Company	BUY	1,564	1,013
18	Larsen & Toubro	BUY	4,025	3,421
19	Praj Industries	BUY	751	632
20	Siemens	Accumulate	7,716	6,297
21	Thermax	Reduce	4,275	3,982
22	Triveni Turbine	BUY	800	634
23	Voltamp Transformers	BUY	11,437	8,358

**PL's Recommendation Nomenclature (Absolute Performance)**

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



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