



THERMAX

**“Thermax Limited
Q3 FY '26 Earnings Conference Call”
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THERMAX



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**MODERATOR: Mr. KUNAL SHAH – DAM CAPITAL ADVISORS
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Thermax Q3 FY '26 Earnings Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kunal Shah from DAM Capital. Thank you, and over to you, sir.

Kunal Shah: Yes. Good afternoon. Welcome to the Q3 FY '26 Earnings Call of Thermax Limited. We have the management today, Mr. Ashish Bhandari, MD and CEO; and Mr. Arunachalam, Group CFO and Executive Vice President.

At this point, I'll hand over the floor to the management for their opening remarks. Thank you, and over to you, sir.

Ashish Bhandari: Hello. A very good afternoon to everyone on the call. And in these particular results that we have shared, there's a lot to unpack. There are some one-time items. There are some exceptional items and just a lot to discuss. So, without any further ado, let's just jump in, and we'll go to the questions and answer them to the best of our ability. Rajendran and I, we are both on the call. Yes, let's get going.

Moderator: The first question is from the line of Jonas Bhutta from Birla Mutual Fund.

Jonas Bhutta: Two quick questions. Firstly, Ashish, if you can give us an update on how the prospect list of new orders sort of looks like? Has it improved or deteriorated in the last 3-6 months? And if at all, there has been loss of market share that sort of answers some bit of the slowness in order inflows that we've seen on the domestic side or it's just deferral due to the geopolitical uncertainty that was prevailing at least up until December? That's the first question.

Ashish Bhandari: Okay. Thanks, Jonas, and it was good of you to get the attention on domestic orders. There are two parts in play. Overall, in Industrial Products, where you see the ethanol market slowing down has had some reflection on our order book domestically, which is part of what you see.

The second thing is in Industrial Infra, we have been very choosy in terms of what we wanted to do, knowing that our overall pipeline was very good. And with that in mind, we were okay to pass on some opportunities to continue to focus on things that are important and relevant. That said, I've shared frequently this year that I'm bullish on orders this year. And Q2, Q3 were reflection of that bullishness. I think Q4 will not give you a reason to be disappointed either.

Jonas Bhutta: Understood. The second question was on the Chemicals segment, which sort of saw a significant contraction in its profitability. If you can quantify what is the recurring amount of fixed cost that has got added and sort of needs to be covered for going forward? And how much of it is operating deleverage?

And it also sort of highlights the 4%, 5% segmental margins sort of highlight even serious weakness on the base business, the existing business, which you've earlier alluded to saying it is getting impacted by Chinese competition.

So if you can unpack what's happening in the Chemicals segment? And how should we think through over the next 12 to 18 months as to how does this under-recovery of fixed cost due to the new capacity sort of go away or continues to remain. So that's -- those are the two questions.

Ashish Bhandari:

Good question again, Jonas. I mean, your understanding of Thermax's business is spot on. Overall, if I take a look at our Chemicals business, and we won't compare to plan. If I just compare it to the last year, year-to-date, we are about INR 48 crores off compared to last year, which is a big number. This is at the PBT line, which is a massive number.

Of this INR 48 crores, the gross margin is a net wash or a slight increase over last year, which means we are carrying about INR 48 crores in costs, which are relating to things that we have added on for one reason or another. And in our buckets -- there are three buckets in which you can put these costs of INR 48 crores that we are off compared to last year, about three fifth, which is 60% of these relate to the new assets that we have added. And the cost net of relative to the old assets that we had.

So what I'm trying to say is that the new asset that we have added has got depreciation that has been added. It is a more efficient plant compared to the old plant, but that efficiency improvement shows up in the gross margin number. So the numbers that I'm talking about is not taking into gross margins.

Effectively, with adding this new plant, we have net of the old plant added about INR 30 crores of costs, which given our lack of increase in volumes is something that we need to continue to account for. first.

Second, for the growth that we want to do, which is construction chemicals, Fortmax, some of the international expansions, etcetera, that we have done. That is the other 20% that is added on. And the last 20% is base cost increase, salary increases, T&L, G&A expense increase, etcetera.

So in some ways, the 40%, which is 20% and 20%, we were prepared for and a portion of 60% also we were prepared for, but so much reduction relative to our expectation in volume and relative to the plans, and I've been saying we really wanted chemicals to grow -- until Q3, we have not shown.

In Q4, you will start to see a bit of that reversal starting to show up as well. In North America, at least -- and this is not relating to the tariff, some of the share loss that we had will reverse. And you will start to see that in Q4, numbers already are starting to show up in next year's numbers because some of the customers that we have gotten back are long-term customers. The 20% that you see, which is relating to some of our growth investments will also reduce, but will not go away because we know for a period, we will be continuing to invest.

Net-net, I think you will see the chemicals numbers starting to improve, get closer to the 10% number. But in our estimate, at least for the next year, we are off from the 17% profitability that

chemicals was at. We are right now closer to trying to get the business to 13%-14% EBITDA, about double digits in profitability, but still extremely bullish on the prospects for growth.

Moderator: The next question is from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: My first question is on Industrial Products. The EBIT for Industrial Products hasn't grown despite strong growth in the top line and part of the reason, of course, the decline in EBIT margin compared to last year. My question is how one should think about the growth and the EBIT margin for the next 12 to 18 months in this business?

Ashish Bhandari: I think reasonably bullish. You will see -- I think in Industrial Products, it is not that year-to-date, to me, our revenue performance is very good. Our backlog is building up nicely. I think we need one very good quarter on revenue, which I expect Q4, and you will see some of that profitability coming back. I suspect we will not reach the profitability that we showed in Industrial Products last year.

And I said that previously as well because our most profitable product line, which is heating, was growing relatively slower compared to Water and Enviro. Enviro is our Clean Air product line. And so, there's a lot of feedback that I'm getting from somebody, go on mute, please. If you're not speaking, if you can please go on mute.

Mohit Kumar: Apologies. Yes.

Ashish Bhandari: No, no, no, it's perfectly okay. So we knew the mix was such that the numbers would come down, but it was a slight reduction over last year. Today, right now, we are tracking below 10%, which is something that you will see in Q4 as our revenue comes up, a lot of that profitability will also show up.

The second thing that I would say is one of the good things which is happening is that within our Industrial Products platform, our cooling product line, which is also relatively profitable, where we have very specific IP is starting to make its presence in data centres. And in this last quarter, we have had two wins, one domestic, one international, which together are substantial and potentially call out a larger pipeline, which is possible. And that gives me a lot of comfort that the mix that we have and the growth that we have in Industrial Products is something that we can sustain.

Mohit Kumar: Understood. My second question is, can you just help us with the prospects on the refinery side and the expected finalisation of tenders given that the three large refineries are getting built up, right? So are you seeing some -- you are hopeful of some closure over the next 12 to 18 months?

Ashish Bhandari: I would say, yes, 12 to 18 months is the right time frame. Our pipeline overall in Industrial Infra continues to be good. Refineries, also, there is a pipeline, but we are a lot more overall sanguine in terms of the kinds of opportunities we want to pursue. And certainly, very large projects where there is significant construction and civil and if it is government related is something we will be very careful about because what we have seen is time and again, these projects get delayed because of matters which are not entirely in our control, but then we get left with the back-end related costs and everything else.

So we are a lot more comfortable with the pipeline that we have. And we will look at refining and petrochemical, but not necessarily trying to go for a really big number or anything. If it has got significant civil and construction, then we will prefer to stay back. If it has got higher portion of like our equipment, then we would, of course, bid on it. There's a reasonable pipeline for both models.

Moderator: The next question is from the line of Renu Baid from IIFL Capital.

Renu Baid: So my first question is, if you can dwell a bit more on the order prospect pipeline covering broad-based Infra as well as Industrial Products. On the backdrop that we were sharing in the domestic market, last 3 to 4 quarters, there have been consistent delay in decision-making on large projects. Recently, we heard L&T receiving a reasonable large steel project.

So do you think decision-making now tends to improve given uncertainty related to tariffs are broadly behind? And what is your outlook on pickup in private sector investments and the project pipeline in the domestic market? That's the first question.

Ashish Bhandari: Look, I think the private capex, I still don't see a much larger pickup, which is broad-based, not yet. And the tariff thing is very, very recent. So we have to see. And I will -- in all of this, I would leave the ethanol sector out here because the ethanol sector is going through a tougher period, and we see many projects getting stalled and all that.

We have been fortunate. We have, I think there are at least four orders where we have a handshake, but we haven't booked them. We haven't done anything because we knew the projects had not closed financially. And what we are seeing is financial closure for many ethanol projects is very difficult.

So if I leave those projects out, the rest of it is reasonable. I wouldn't say like broad-based, it's very good yet. It has the potential to be very good, but not yet. That said, our pipeline of projects, both large and small, continues to be very healthy, driven as much by international as by domestic. And you will see in this last quarter, actually 50% of our product -- of our business was international compared to domestic.

Of course, if you have one large order, which is international. Dangote, that helps. But even beyond that, we had -- see, Dangote was less than INR 600 crores. But overall, our international number for the quarter was INR 1,400-plus crores.

So there was a lot of other stuff that came in internationally as well, including the data centre wins that we mentioned. So it was a good quarter internationally. Overall also, the pipeline remains decent. And as you know, international typically is more profitable for us than domestic.

Renu Baid: Got it. Secondly, you did allude to that the company will selectively look at participation for boiler orders in domestic supercritical space. So how are we looking at order pipeline prospects in that segment? And recently, we have seen Adani placing an order on TBW, China for boiler components. So you think given our relationship which we had with TBW previously, there is any place for Thermax on that opportunity?

- Ashish Bhandari:** On that specific opportunity, and that is not to TBW. That is to B&W China. B&W China.
- Renu Baid:** B&W, my bad, yes.
- Ashish Bhandari:** Yes. So, we don't have a specific role to play on that one. Our supercritical pipeline continues to be there. I think until we close something or we walk away saying this is no longer in play, you will have to be patient. I would say though that power overall, not just supercritical, even subcritical, even captive power for utility or even for -- I mean, captive power, not utility. Captive power and subcritical, both of those are a pipeline which also, as I've been saying, developed the highest that I have seen in the last 2-3 years. Multiple customers in India and even a couple internationally and a subcritical utility and supercritical, that whole opportunity set is reasonably big.
- Renu Baid:** And decision-making could be expected early part of next financial year or it may take longer?
- Ashish Bhandari:** This year and early part of next financial year, both.
- Moderator:** The next question is from the line of Parikshit Kandpal from HDFC Securities.
- Parikshit Kandpal:** Ashish, congratulations on a decent quarter. Sir, first question, in the last call, you had highlighted that in Q3, you will try to replicate both in Q3 and Q4, the revenues of Q4 last year, you were expecting a significant pickup in execution, which reported execution was slightly softer. So what were the reasons behind it or any issues around execution you're facing currently?
- Ashish Bhandari:** I think it's just -- as I said last time also that Q3, I had expected to be better, but many of our customers were reporting continued delays and the rains went right into October this year. So even Q3 got impacted at the beginning part. As I see right now, there are some minor cases of customers who are delaying revenue pickup for one reason or another.
- But I would say 9 out of 10 things are green, and I expect to do, I would say, double digit better than last year in revenue and a reasonably good profitable quarter, setting us up for next year with a backlog, which is quite substantially better, both in quantity and quality compared to the backlog we have.
- Parikshit Kandpal:** Just to clarify, this double digit is for the year as a whole, right, FY '26?
- Ashish Bhandari:** No, no, double digit is quarter-over-quarter because until now, we are barely 1% or so ahead in revenue compared to last year. So I don't think I can do double digit for year-on-year. But certainly, very good Q4, but setting us, as I said, up for a very good beyond.
- Parikshit Kandpal:** Okay. The second question, on the last call, you had said that you'll give some more colour on data centre prospects and opportunity of the TAM. So you've already won orders. So if you can help us understand what is our play here and what kind of TAM one can look at both domestic and international markets?
- Ashish Bhandari:** So both domestic and international, the TAM is very high. And the product that we have has got a unique fit, which is also very good in the sense that once the application, we are able to prove

the customer that from an engineering point of view, we can do what we say we are doing, then price is almost secondary and competition is also secondary.

And this is international more so than domestic. The one -- the win that we have had is a single order, which is one of the largest we have had in cooling, and that is for one of the marquee data centre names in the U.S. And it is still just a very small number in the grand scheme of things.

So the question is how much more can we do? The good part is now with two wins, one in India, one international, our name is there. Now we are getting calls and we are getting asks and with the tariff getting addressed, it should only make things easier. I suspect both in TBWES and in cooling, in this coming year, we will be talking about increasing capacity and capex investments.

Parikshit Kandpal:

Okay. Sir, just on the cooling, so what is the product exactly for the data centres from -- after heating to cooling, that's the product?

Ashish Bhandari:

So I can share, but you will have to go through our notes. And for competitive reasons, we'll still not share what is the product. And we will leave this, let it run for a bit longer. And when it's the right time, we will share. But it is still something that we will continue to talk about. And if you read our social media and all, you will get some examples. But broadly, we're still keeping this very close to our chest. Numbers are good. The margins are very good.

Moderator:

The next question is from the line of Amit Mahawar from UBS.

Amit Mahawar:

Ashish, my question is more for second segment. Segment 1 is very well taken care, and I'm not worried about the margins that should eventually come with the mix. But in second segment, are you happy with the conversion rate of pipeline? Second segment houses TBW also, which is having a cyclically favourable time on the industry, but somehow we are yet to see more orders.

So any colour on how should we think about this year, maybe we've done next year orders for Industrial? And a quick question on, should we now assume -- I was reading the PBT which says that last year was the provision, but this quarter it doesn't. So can I see that as a recurring margin indicator for Thermax?

Ashish Bhandari:

I think in what you see as the recurring margin, there is still an overhang of the poor projects that we are continuing to carry. And you can see that in the sub numbers. If you take a look at TBSPL, which is our bio-CNG projects, we reported a loss even in this quarter. And all of -- practically our entire portfolio of TBSPL is going to go through PGTR this quarter and next quarter. And between those two quarters, we expect to convert that into revenue and also move them from a red line to a black line.

We continue to carry NRL at a 0 cost. We continue to carry FGDs at a relatively low profitability. Almost all of that between Q4, Q1, Q2 will get resolved. After Q2, the only thing that will continue is NRL, which also next year, we should close out almost entirely in our estimates entirely. So I think this quarter was okay. Now I have confidence based on the backlog that we have, also the backlog is international fair bit.

Even the domestic stuff we are taking is better in margins. I think where you are, which we can do substantially better, and we will do substantially better. And I wouldn't say TBWES numbers are bad at all yet. TBWES for three quarters in a row has done -- what's our order book on TBWES is INR 2,600 crores year-to-date.

Rajendran Arunachalam: Year-to-date.

Ashish Bhandari: I think it's somewhere there. And in three quarters, it has already done more than what it did last year or close to. And we have got a whole quarter to go through, and we have a very good pipeline for Q4 as well. I think we see TBWES again, as a place where on the current path it is on, we may run out of capacity before anything else.

Amit Mahawar: That's good to hear. Quick one, last one for me. You mentioned about the quality of book changing, and we can see the orders -- the type of orders are very, very clearly different than the ones taken in the last couple of years. Maybe '27-'28, do you want to say that in Industrial Infra, we can comfortably maintain a 10% margin band? And you can give us some colour on the type of orders, the closure speed and the capacity you have on the second segment. That's it.

Ashish Bhandari: The quality right now, at least in this year, is actually better than what I expect the mean to be, because we have had more international orders than we typically do. I do think in the next couple of quarters, both on the EPC side and domestic, we will see more pickup and more domestic projects, like I had mentioned on the power side starting to show up.

Overall, from a direction perspective, I'm comfortable with the number that you have stated. The immediate past, the orders that we have booked are perhaps better than that number. But as we look forward, some of what we may look for will dilute it somewhat. Net-net, I'm comfortable with the range that you are talking about, absolutely.

Moderator: The next question is from the line of Mehul Panjuani from 40 Cents.

Mehul Panjuani: Sir, my first question is with regards to the Dangote Industries' order. Sir, how long will it take to execute the complete order and when will we recognise the revenues?

Ashish Bhandari: So revenue will be recognised on a periodic basis as we finish it. The whole project delivery is about 18 months, but a reasonable revenue we will recognise in the next year itself. But the whole execution is 18 months.

Mehul Panjuani: And sir, what about -- what impact would -- I mean, there's a slide in your presentation on the input cost. But given the commodity situation globally is very -- is quite slicky. What kind of impact which it will have on -- if the prices were to rise from here on, how will it impact?

Ashish Bhandari: So look, right now, copper, steel are both going up. That is a slight negative on the business. I would only say it's a slight negative because overall, the commodity pressure is, I think, just starting to be seen. If it gets worse from this point on, it could get substantial.

But right now also, there is a slight commodity pressure of the kind that we haven't seen in the last couple of years, especially in the projects business where we also have a bit of an advantage

of a cheaper rupee. We are looking to retire our risk by placing orders as early as we can and locking our margins and everything to the extent that we can. But we do carry a little bit of residual risk.

And I think in the last month to 2 months, we have started to look at the commodity prices a lot more carefully than what we have done in the last year or so. And we are tracking that number internally on if what moves, what would the impact be to Thermax. That work is going on. And I mean, Rajendran shares that with me regularly.

Mehul Panjuani: Sorry, go ahead please.

Ashish Bhandari: No, no. That's it.

Mehul Panjuani: And sir, regarding the data centre sector opportunity, I mean, I heard you respond to the question that we have two orders, one from U.S. and one from a marquee player. So what kind of revenues, what kind of orders can we see from that, sir?

Ashish Bhandari: I think our Board, everyone is asking the same questions. The range is quite wide right now. So we just have to be patient. The first one was very important, and we loved what we saw. The question is, how many more can you do? And I guess we will know over the next with each passing quarter. The range of possibilities is very wide.

Mehul Panjuani: And since we have been in this business, what is it -- why is it that we have got into this sector only very recently?

Ashish Bhandari: No. See, we were always in cooling. And in cooling, we have a few set of capabilities which are very unique. And in some of those cases, our IP is not just best in India, it is best globally as well in cases. And so once we are able to establish the value of that IP, then the story changes. And cooling, it's always been part of our portfolio. The application-specific out here, applying that IP to that application, that is something that is not new. We have been working on it for the past 1.5 years. It is only now that the success is starting to show up.

Mehul Panjuani: Right. Sir, my last question, in this marquee win U.S., do we have competition from all over the globe or just the U.S.?

Ashish Bhandari: Actually, with some amount of bravado, I would say neither. You have to sell the application. Once you sell the application, your competition is largely only from China.

Moderator: The next question is from the line of Aditya from Kotak Institutional Equities.

Aditya: The first question that I had was on the margins in the Industrial Products segment. I think my understanding was given your comments last time around that mix would start turning supportive from the third quarter and then so would margins. And I'm assuming none of the RM headwinds would have hit you in 3Q itself. I'm a bit confused as to why the margins have kind of gone down and at least the commentary was that the mix will improve only.

- Ashish Bhandari:** I agree. And it was disappointing. I think it was largely -- not I think. I know it is largely because on volume, we underperformed relative to expectations. And you will see Q4 some of that reversing. Q4 so far is good, and I'm bullish on what we can show on all metrics in Q4.
- Aditya:** Understood. Just going to the Segment 2, which is the industrial projects -- Industrial Infra. And some of those issues that were hitting you last quarter also are still hitting you this quarter on bioenergy and other aspects. Why has the margin shown an improvement then? Could you just explain us better? And is there any one-offs inside?
- Ashish Bhandari:** No, no, there's no one-off. Last quarter, we took a big hit here. So that pulled the whole number down. I think across the board, we are stabilising. And as I've shared, what is driving that stabilisation is also very minutely and at a micro level managed. And without those, last time, we had a negative one-off.
- If you remove all of last time's negative one-off and the stability that we are seeing, that was the normalising factor. In projects, you do have some positive and negative moves, barring surprises in the periods that are coming, I see more positive moves than negative moves.
- Aditya:** Understood. And do you still sense that the commentary on the Chemicals segment that you made of 4Q making you reach toward to INR 150 crores kind of business level number, maybe on order inflows is still the possibility or that may get deferred?
- Ashish Bhandari:** No, no, very much a possibility, not just a possibility, very much an expectation.
- Moderator:** The next question is from the line of Amit Anwani from PL Capital.
- Amit Anwani:** So, first question on -- if you could give us an update on the Green Solutions business this time? And where are we in terms of the megawatt addition and we were facing some delays with, I think, a couple of projects earlier. So target for megawatt addition and update on the Green Solutions business?
- Ashish Bhandari:** So Green Solutions, TOESL good -- not that happy with orders in TOESL in Q3. I mean, they were practically zero. Q4, I expect to be a lot better. In terms of -- hydrogen, we continue to make investments. We continue to carry a team of about 40-odd people that are just cost to the system right now.
- And then finally, FEPL, in this particular quarter, we have -- see, we are executing right now five projects. Of those projects, there are two very specific projects that are -- I mean, specifically, there is a partner that we had for these projects who has gone through financial trouble and which has been a massive drain on Thermax based on delays that we have had.
- Of those two projects, one project got finished in January. And a substantial portion of the second project will get done this quarter as well. So we have got in that sense, underperformance in FEPL.
- Our projections overall are that -- the new projects that we are doing, which will start showing up in end of March and then finish off in June are some of the best projects that we are

performing and have profitability, which is substantially better than anything we have done in the past. And because the projects are close to their end, we can see that end of sight as well.

I would say, overall, in terms of megawattage, this year, we will add another 250 megawatts. And then next year, we will get close to 700 megawatts and close to 1.1 gigawatts in FY '28. That is the plan that we have. In between, we will look to monetise this business through some form or another. What that form looks like is something we are looking to work through.

Amit Anwani:

Sure. Sir, second question on the cooling business, which you highlighted, we got the orders for data centre. Just wanted to understand, I think you have -- I can recollect you also talked about heating as an application for international market, which is where we have the capability.

Just wanted to understand ballpark what can be the addressable market for this kind of applications in a typical 1-megawatt data centre. And for us, can this area really scale up as a part of Industrial Products over the next couple of years? Any understanding on...

Ashish Bhandari:

At the core, how the powering of the data centre happens drives a lot how the fit of a Thermax solution happens, which means that the way data centres are being powered in North America, which is different from anywhere else in the world. There, the value that we can add is substantially more than how the data centres are being powered in the rest of the world.

Even in the rest of the world, we have a specific solution, which is value accretive, which is what we have one in India. But the solution that is in North America is different from that solution. And in the solution that we have for North America, our relative competition is lesser. The value add is more and the size of the opportunity is also bigger.

Amit Anwani:

Right, sir. And in terms of solution, are there already players supplying this and you're able to win because of the product? Some colour on competitiveness here or are still forming domestic and international?

Ashish Bhandari:

Give us maybe 2-3 quarters more, then we can share. Right now, we would still like to keep it close to the chest. We have spent 1.5 years working this. So now we want to work this a little longer before we share more.

Moderator:

The next question is from the line of Hardik Sharda from Mavira AMC.

Hardik Sharda:

I just wanted to know, recently, government has outlaid INR 20,000 crores for carbon capture. So how is Thermax positioned to tap this opportunity?

Ashish Bhandari:

Very excited about that, very aligned. I think we have one of the best R&D programmes domestically on carbon capture and we are also partnering with some of the global names on EPC capability around carbon capture. I look at it favourably. All I would say it's early days, because we've seen that with coal gasification also between outlay and how it gets dispersed, there could be a lot of things that can go wrong and how the tenders and how this money will be outlaid and how will it be given. All of that needs to be studied. But first reaction, we love the idea and bullish on this.

Hardik Sharda:

Sir, could you highlight a few global EPC players?

Ashish Bhandari:

No, because these are all things that you work on. So it is not right again to share. But carbon capture, we've been calling out for some time. I would share though that in India, if you take a look, there was a project which got bid out for Kandla Port for biomass to methanol. And I'm saying I'm calling this out because in that particular project, Thermax was a winner. It's a relatively small project below INR 100 crores.

But Thermax won it by delivering completely India-based technology, which means we built a solution for biomass gasification along with the domestic partner. And the methanol island, which is converting syngas to methanol is completely Thermax's homegrown technology and capability, which we have demonstrated as part of our coal gasification project as well.

So some of these pathways, which we have been working on are now starting to become interesting and relevant. And even in carbon capture, eventually, after you capture, you will need some monetisation on how do I monetise this carbon capture? How do I utilise it? Many of those utilisation pathways also Thermax has got current experience and is also working with global licenses on potential technology partnerships as well.

Moderator:

The next question is from the line of Aditya Sahu from HDFC Securities.

Aditya Sahu:

A while ago, you had mentioned that the data centres in the U.S. are different. So, is it possible if you can throw some light and elaborate a little on how the data centres are different in U.S. versus Europe versus Asia?

Ashish Bhandari:

I'll leave it at that. I think give us a couple of quarters. Let's see how much of a run do we have and then we can come and talk about it.

Aditya Sahu:

Sure.

Ashish Bhandari:

I think that's it. No more questions.

Moderator:

No, sir. Thank you very much. Ladies and gentlemen, that was the last question. I would now hand the conference over to the management for the closing comments.

Ashish Bhandari:

Thank you very much to everyone that's on the call. Appreciate your patience -- your patience also in terms of how we work on our numbers and everything. To me, the quarter was okay, not great because on revenue and profitability, we should have done better. But I take continued strength from, A, the order book, the quality of our order book, I guess, not having negative surprises is also a good thing given how we have disappointed in the past.

I would say that the categories in terms of NRL, bio-CNG and FGD, they remain. We haven't added anything to the list. And all three of these categories, we continue to work them down, down, down, down to the point that at least in turn -- and I would add FEPL to this also, which is a different kind of a thing. But again, places where we need to continue to improve execution.

So to that list, nothing got added, no negative surprises. I really like how we have been able to win internationally against global competition, being able to open up new application sets. I'm

excited about that possibility and continue to be bullish on orders in the short to medium term on what we have.

Yes. So that's it. Thank you very much for listening to us, and I look forward to sharing more as we continue to make progress. Thank you.

Moderator:

Thank you, sir. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.