

**THERMAX LIMITED**

Regd. Office: D-13, M.I.D.C. Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019

Corporate Identity Number - L29299PN1980PLC022787

Statement of unaudited financial results for the quarter and half year ended September 30, 2016

(Rs. in Crore)

Particulars	Consolidated					
	Quarter ended			Half Year ended		Year ended
	Sep 30, 2016	Jun 30, 2016	Sep 30, 2015	Sep 30, 2016	Sep 30, 2015	Mar 31, 2016
	(Unaudited)	(Unaudited)	(Refer note 5)	(Unaudited)	(Refer note 5)	(Refer note 5)
<b>Part I:</b>						
<b>1 Income from operations:</b>						
(a) Gross sales/income from operations (including excise duty)	1,067.32	977.14	1,251.28	2,044.46	2,475.17	5,191.49
(b) Other operating income	28.39	24.99	13.74	53.38	20.54	69.43
<b>Total Income from operations</b>	<b>1,095.71</b>	<b>1,002.13</b>	<b>1,265.02</b>	<b>2,097.84</b>	<b>2,495.71</b>	<b>5,260.92</b>
<b>2 Expenses:</b>						
(a) Cost of materials consumed	527.42	398.91	622.94	926.33	1,256.90	2,703.69
(b) Purchase of stock-in-trade	16.57	19.22	6.18	35.79	31.45	73.20
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5.27)	29.77	(15.69)	24.50	(32.31)	(19.31)
(d) Employee benefits expense	169.11	176.07	158.36	345.18	321.89	664.31
(e) Depreciation and amortisation expense	19.93	19.37	18.33	39.30	36.67	72.20
(f) Other expenses	295.99	297.76	382.78	593.75	705.36	1,435.81
<b>Total Expenses</b>	<b>1,023.75</b>	<b>941.10</b>	<b>1,172.90</b>	<b>1,964.85</b>	<b>2,319.96</b>	<b>4,929.90</b>
<b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>71.96</b>	<b>61.03</b>	<b>92.12</b>	<b>132.99</b>	<b>175.75</b>	<b>331.02</b>
4 Other income	36.14	23.06	25.30	59.20	49.83	140.46
<b>5 Profit before finance costs and exceptional items (3+4)</b>	<b>108.10</b>	<b>84.09</b>	<b>117.42</b>	<b>192.19</b>	<b>225.58</b>	<b>471.48</b>
6 Finance costs	2.38	3.15	3.77	5.53	6.57	12.21
<b>7 Profit before exceptional items (5-6)</b>	<b>105.72</b>	<b>80.94</b>	<b>113.65</b>	<b>186.66</b>	<b>219.01</b>	<b>459.27</b>
8 Exceptional items	-	-	-	-	-	-
<b>9 Profit before Tax (7+8)</b>	<b>105.72</b>	<b>80.94</b>	<b>113.65</b>	<b>186.66</b>	<b>219.01</b>	<b>459.27</b>
10 Tax expense	34.97	27.74	39.36	62.71	72.47	143.87
<b>11 Net Profit for the period (9 - 10)</b>	<b>70.75</b>	<b>53.20</b>	<b>74.29</b>	<b>123.95</b>	<b>146.54</b>	<b>315.40</b>
12 Share of profit / (loss) of joint ventures	7.53	(4.24)	(15.16)	3.29	(32.77)	(39.26)
13 Share of loss attributable to non controlling interest	0.30	-	-	0.30	-	-
<b>14 Net Profit after tax, non controlling interest and share in profit/ (loss) of joint ventures (11+12+13)</b>	<b>78.58</b>	<b>48.96</b>	<b>59.13</b>	<b>127.54</b>	<b>113.77</b>	<b>276.14</b>
15 <b>Other Comprehensive Income, net of tax</b>	(15.15)	(6.07)	0.31	(21.22)	2.33	28.35
<b>16 Total Comprehensive Income for the period (14+ 15)</b>	<b>63.43</b>	<b>42.89</b>	<b>59.44</b>	<b>106.32</b>	<b>116.10</b>	<b>304.49</b>
17 Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	22.52	22.52	22.52	22.52	22.52	22.52
18 Earnings Per Share (in Rupees) (not annualised)						
Basic and Diluted	6.98	4.35	5.25	11.33	10.10	24.52
See accompanying notes to the financial results						

(Rs. in Crore)

Particulars	Standalone					
	Quarter ended			Half Year ended		Year ended
	Sep 30, 2016	Jun 30, 2016	Sep 30, 2015	Sep 30, 2016	Sep 30, 2015	Mar 31, 2016
	(Unaudited)	(Unaudited)	(Refer note 5)	(Unaudited)	(Refer note 5)	(Refer note 5)
<b>Part I:</b>						
<b>1 Income from operations:</b>						
(a) Gross sales/income from operations (including excise duty)	845.06	791.42	1,071.98	1,636.48	2,081.47	4,393.85
(b) Other operating income	25.72	23.07	10.95	48.79	18.77	65.07
<b>Total Income from operations</b>	<b>870.78</b>	<b>814.49</b>	<b>1,082.93</b>	<b>1,685.27</b>	<b>2,100.24</b>	<b>4,458.92</b>
<b>2 Expenses:</b>						
(a) Cost of materials consumed	457.68	357.14	603.27	814.82	1,169.64	2,528.05
(b) Purchase of stock-in-trade	14.71	14.95	3.02	29.66	28.13	65.18
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5.86)	19.07	26.00	13.21	19.31	(6.39)
(d) Employee benefits expense	102.59	116.33	101.29	218.92	211.36	450.21
(e) Depreciation and amortisation expense	16.64	16.81	15.65	33.45	31.41	60.89
(f) Other expenses	224.34	243.28	258.66	467.62	502.30	1,047.71
<b>Total Expenses</b>	<b>810.10</b>	<b>767.58</b>	<b>1,007.89</b>	<b>1,577.68</b>	<b>1,962.15</b>	<b>4,145.65</b>
<b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>60.68</b>	<b>46.91</b>	<b>75.04</b>	<b>107.59</b>	<b>138.09</b>	<b>313.27</b>
4 Other income	28.86	21.09	19.45	49.95	40.47	114.02
<b>5 Profit before finance costs and exceptional items (3+4)</b>	<b>89.54</b>	<b>68.00</b>	<b>94.49</b>	<b>157.54</b>	<b>178.56</b>	<b>427.29</b>
6 Finance costs	0.71	0.67	1.19	1.38	2.34	4.60
<b>7 Profit before exceptional items (5-6)</b>	<b>88.83</b>	<b>67.33</b>	<b>93.30</b>	<b>156.16</b>	<b>176.22</b>	<b>422.69</b>
8 Exceptional items	-	-	-	-	-	-
<b>9 Profit before Tax (7+8)</b>	<b>88.83</b>	<b>67.33</b>	<b>93.30</b>	<b>156.16</b>	<b>176.22</b>	<b>422.69</b>
10 Tax expense	29.17	22.11	31.50	51.28	58.58	125.20
<b>11 Net Profit for the period (9 - 10)</b>	<b>59.66</b>	<b>45.22</b>	<b>61.80</b>	<b>104.88</b>	<b>117.64</b>	<b>297.49</b>
12 <b>Other Comprehensive Income, net of tax</b>	(2.18)	(6.11)	(5.67)	(8.29)	(7.42)	(2.10)
<b>13 Total Comprehensive Income for the period (11 + 12)</b>	<b>57.48</b>	<b>39.11</b>	<b>56.13</b>	<b>96.59</b>	<b>110.22</b>	<b>295.39</b>
14 Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	23.83	23.83	23.83	23.83	23.83	23.83
15 Earnings Per Share (in Rupees) (not annualised)						
Basic and Diluted	5.00	3.80	5.18	8.80	9.87	24.97
See accompanying notes to the financial results						

**THERMAX LIMITED**

Regd. Office: D-13, M.I.D.C. Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019

Corporate Identity Number - L29299PN1980PLC022787

Statement of unaudited financial results for the quarter and half year ended September 30, 2016

**Statement of Asset and Liabilities**

**(Rs. in Crore)**

	Particulars	Consolidated		Standalone	
		Sep 30, 2016	Mar 31, 2016	Sep 30, 2016	Mar 31, 2016
		(Unaudited)	(Refer note 5)	(Unaudited)	(Refer note 5)
<b>A</b>	<b>Assets</b>				
<b>I.</b>	<b>Non-current assets</b>				
	Property, plant and equipment	673.24	690.16	538.10	561.69
	Capital work-in-progress	75.40	27.80	59.83	26.71
	Goodwill	124.03	114.61	-	-
	Other intangible assets	41.11	22.10	29.29	21.88
	Intangible assets under development	20.97	32.21	20.97	32.21
	Financial assets				
	(a) Investments (including subsidiaries and joint ventures)	343.56	183.57	710.85	529.50
	(b) Trade receivables	55.23	51.08	49.02	49.70
	(c) Loans	5.62	4.95	12.99	8.14
	(d) Other financial assets	49.55	53.78	8.16	10.29
	Deferred tax assets (net)	124.96	118.53	113.35	105.26
	Income tax assets (net)	123.33	99.01	74.83	54.52
	Other non-current assets	216.96	163.68	200.04	136.92
	<b>Sub-total - Non-current assets</b>	<b>1,853.96</b>	<b>1,561.48</b>	<b>1,817.43</b>	<b>1,536.82</b>
<b>II.</b>	<b>Current assets</b>				
	Inventories	287.26	291.61	226.33	224.77
	Financial assets				
	(a) Investments	666.46	866.72	637.26	840.59
	(b) Trade receivables	1,146.22	1,354.46	1,029.46	1,247.45
	(c) Cash and cash equivalents	103.16	152.57	17.02	67.56
	(d) Other bank balances	157.82	145.13	111.18	110.80
	(e) Loans	2.78	2.79	27.33	15.95
	(f) Other financial assets	339.66	537.33	221.19	424.69
	Income tax assets (net)	3.59	25.56	0.92	24.18
	Other current assets	222.44	232.38	194.36	199.00
	<b>Sub-total - Current assets</b>	<b>2,929.39</b>	<b>3,608.55</b>	<b>2,465.05</b>	<b>3,154.99</b>
	<b>Total Assets</b>	<b>4,783.35</b>	<b>5,170.03</b>	<b>4,282.48</b>	<b>4,691.81</b>
<b>B</b>	<b>Equity and Liabilities</b>				
<b>I.</b>	<b>Equity</b>				
	Equity share capital	22.52	22.52	23.83	23.83
	Other equity	2,412.21	2,393.81	2,328.87	2,318.32
	<b>Equity attributable to equity holders of the parent</b>	<b>2,434.73</b>	<b>2,416.33</b>	<b>2,352.70</b>	<b>2,342.15</b>
	Non controlling interest	7.95	-		
	<b>Sub-total - equity</b>	<b>2,442.68</b>	<b>2,416.33</b>	<b>2,352.70</b>	<b>2,342.15</b>
<b>II.</b>	<b>Liabilities</b>				
<b>a.</b>	<b>Non-current liabilities</b>				
	Financial liabilities				
	(a) Borrowings	50.30	33.60	-	0.55
	(b) Trade and other payables	40.63	48.48	24.89	25.10
	(c) Other financial liabilities	7.28	3.95	1.48	1.47
	Provisions	7.46	6.93	6.24	5.05
	Deferred tax liabilities (net)	17.79	16.50	-	-
	Other non-current liabilities	58.33	41.52	47.07	35.51
	<b>Sub total - non-current liabilities</b>	<b>181.79</b>	<b>150.98</b>	<b>79.68</b>	<b>67.68</b>
<b>b.</b>	<b>Current liabilities</b>				
	Financial liabilities				
	(a) Borrowings	104.31	137.94	58.05	90.75
	(b) Trade and other payables	743.37	949.42	625.82	826.88
	(c) Other current financial liabilities	67.46	199.03	51.14	145.18
	Provisions	192.41	182.07	181.96	168.41
	Other current liabilities	1,051.33	1,134.26	933.13	1,050.76
	<b>Sub total - current liabilities</b>	<b>2,158.88</b>	<b>2,602.72</b>	<b>1,850.10</b>	<b>2,281.98</b>
	<b>Total Equity and Liabilities</b>	<b>4,783.35</b>	<b>5,170.03</b>	<b>4,282.48</b>	<b>4,691.81</b>

**THERMAX LIMITED**  
**Regd. Office : D-13, M.I.D.C. Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019**  
**Corporate Identity Number - L29299PN1980PLC022787**  
**Statement of unaudited financial results for the quarter and half year ended September 30, 2016**

**Notes to the financial results:**

- This Statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 10, 2016.
- The Group adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 and accordingly this Statement has been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Accordingly, the impact on transition has been recorded in the opening reserves as at April 1, 2015 ('the transition date') and the comparative periods presented have been restated accordingly.
- The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015, has been modified to comply with the requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act 2013 which are applicable to companies that are required to comply with Ind AS.
- Segment information as per Ind AS 108 'Operating segments':

(Rs. in Crore)

Particulars	Consolidated					
	Quarter ended			Half year ended		Year ended
	Sep 30, 2016	Jun 30, 2016	Sep 30, 2015	Sep 30, 2016	Sep 30, 2015	Mar 31, 2016
	(Unaudited)	(Unaudited)	(Refer note 5)	(Unaudited)	(Refer note 5)	(Refer note 5)
<b>1 Segment Revenue</b>						
a. Energy	866.52	815.37	1,041.01	1,681.89	2,059.66	4,309.13
b. Environment	240.95	196.03	245.48	436.98	471.09	1,040.19
<b>Total</b>	<b>1,107.47</b>	<b>1,011.40</b>	<b>1,286.49</b>	<b>2,118.87</b>	<b>2,530.75</b>	<b>5,349.32</b>
Less: Inter segment revenue	11.76	9.27	21.47	21.03	35.04	88.40
<b>Sales/ Income From operations</b>	<b>1,095.71</b>	<b>1,002.13</b>	<b>1,265.02</b>	<b>2,097.84</b>	<b>2,495.71</b>	<b>5,260.92</b>
<b>2 Segment Results</b>						
Profit before tax and interest from each segment						
a. Energy	75.61	64.85	83.36	140.46	174.81	379.07
b. Environment	22.22	6.92	21.88	29.14	36.75	71.95
<b>Total</b>	<b>97.83</b>	<b>71.77</b>	<b>105.24</b>	<b>169.60</b>	<b>211.56</b>	<b>451.02</b>
Less : i) Interest	2.38	3.15	3.77	5.53	6.57	12.21
ii) Other unallocable expenditure net of unallocable (income)	(10.27)	(12.32)	(12.18)	(22.59)	(14.02)	(20.46)
<b>Total profit before tax</b>	<b>105.72</b>	<b>80.94</b>	<b>113.65</b>	<b>186.66</b>	<b>219.01</b>	<b>459.27</b>
<b>3 Segment Assets</b>						
a. Energy	2,537.31	2,660.40	2,830.94	2,537.31	2,830.94	2,931.84
b. Environment	761.49	712.42	710.38	761.49	710.38	754.29
c. Unallocated	1,484.55	1,431.35	1,407.52	1,484.55	1,407.52	1,483.90
<b>Total Assets</b>	<b>4,783.35</b>	<b>4,804.17</b>	<b>4,948.84</b>	<b>4,783.35</b>	<b>4,948.84</b>	<b>5,170.03</b>
<b>4 Segment Liabilities</b>						
a. Energy	1,756.81	1,799.66	2,165.11	1,756.81	2,165.11	2,086.31
b. Environment	414.20	378.30	418.11	414.20	418.11	453.35
c. Unallocated	169.66	175.92	137.70	169.66	137.70	214.04
<b>Total Liabilities</b>	<b>2,340.67</b>	<b>2,353.88</b>	<b>2,720.92</b>	<b>2,340.67</b>	<b>2,720.92</b>	<b>2,753.70</b>

(Rs. in Crore)

Particulars	Standalone					
	Quarter ended			Half year ended		Year ended
	Sep 30, 2016	Jun 30, 2016	Sep 30, 2015	Sep 30, 2016	Sep 30, 2015	Mar 31, 2016
	(Unaudited)	(Unaudited)	(Refer note 5)	(Unaudited)	(Refer note 5)	(Refer note 5)
<b>1 Segment Revenue</b>						
a. Energy	652.03	628.31	837.70	1,280.34	1,649.10	3,544.09
b. Environment	230.48	195.48	268.92	425.96	488.42	1,003.38
<b>Total</b>	<b>882.51</b>	<b>823.79</b>	<b>1,106.62</b>	<b>1,706.30</b>	<b>2,137.52</b>	<b>4,547.47</b>
Less: Inter segment revenue	11.73	9.30	23.69	21.03	37.28	88.55
<b>Sales/ Income From operations</b>	<b>870.78</b>	<b>814.49</b>	<b>1,082.93</b>	<b>1,685.27</b>	<b>2,100.24</b>	<b>4,458.92</b>
<b>2 Segment Results</b>						
Profit before tax and interest from each segment						
a. Energy	66.08	50.14	65.28	116.22	148.19	371.90
b. Environment	18.59	8.92	23.34	27.51	34.54	65.13
<b>Total</b>	<b>84.67</b>	<b>59.06</b>	<b>88.62</b>	<b>143.73</b>	<b>182.73</b>	<b>437.03</b>
Less : i) Interest	0.71	0.67	1.19	1.38	2.34	4.60
ii) Other unallocable expenditure net of unallocable (income)	(4.87)	(8.94)	(5.87)	(13.81)	4.17	9.74
<b>Total profit before tax</b>	<b>88.83</b>	<b>67.33</b>	<b>93.30</b>	<b>156.16</b>	<b>176.22</b>	<b>422.69</b>
<b>3 Segment Assets</b>						
a. Energy	1,847.51	1,906.26	2,278.61	1,847.51	2,278.61	2,234.78
b. Environment	750.00	728.13	730.93	750.00	730.93	743.67
c. Unallocated	1,684.97	1,717.90	1,500.86	1,684.97	1,500.86	1,713.36
<b>Total Assets</b>	<b>4,282.48</b>	<b>4,352.29</b>	<b>4,510.40</b>	<b>4,282.48</b>	<b>4,510.40</b>	<b>4,691.81</b>
<b>4 Segment Liabilities</b>						
a. Energy	1,460.54	1,531.42	1,863.81	1,460.54	1,863.81	1,785.92
b. Environment	420.00	394.51	438.25	420.00	438.25	434.69
c. Unallocated	49.24	45.10	51.36	49.24	51.36	129.05
<b>Total Liabilities</b>	<b>1,929.78</b>	<b>1,971.03</b>	<b>2,353.42</b>	<b>1,929.78</b>	<b>2,353.42</b>	<b>2,349.66</b>

- The Ind AS financial results and other financial information for the quarter and half year ended September 30, 2015 and the year ended March 31, 2016, have been compiled by the management after making necessary adjustments to give a true and fair view of the results in accordance with Ind AS and have not been subject to any review / audit by the auditors.

**THERMAX LIMITED**  
**Regd. Office : D-13, M.I.D.C. Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019**  
**Corporate Identity Number - L29299PN1980PLC022787**  
**Statement of unaudited financial results for the quarter and half year ended September 30, 2016**

**Notes to the financial results (continued):**

6 There is a possibility that this quarterly financial results along with the financial information as of and for the year ended March 31, 2016, may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2017, due to changes in financial reporting requirements arising from now or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS as permitted under Ind AS 101.

7 The reconciliation of net profit reported in comparative quarter in accordance with previous GAAP to total comprehensive income in accordance with Ind AS is given below:

(Rs. in Crore)

Particulars	Consolidated			Standalone		
	Sep 30, 2015		Mar 31, 2016	Sep 30, 2015		Mar 31, 2016
	Quarter ended	Half year ended	Year ended	Quarter ended	Half year ended	Year ended
	(Refer note 5)	(Refer note 5)	(Refer note 5)	(Refer note 5)	(Refer note 5)	(Refer note 5)
<b>Net profit after tax under previous GAAP (after share of loss minority interest)</b>	<b>66.98</b>	<b>124.74</b>	<b>275.36</b>	<b>64.83</b>	<b>126.50</b>	<b>305.52</b>
<b>Ind AS adjustments [Increase / (decrease) in profits]</b>						
i. Actuarial loss on employee defined benefit plan recognized in Other Comprehensive Income as per Ind AS 19	1.09	2.20	4.45	1.00	2.00	4.03
ii. Change on account of fair value adjustments on financial instruments	2.63	2.10	1.61	2.64	2.11	3.39
iii. Provision for expected credit loss on trade receivables/ contract assets under Ind AS 109	(5.83)	(15.22)	(20.68)	(6.38)	(15.07)	(20.68)
iv. Effect of accounting of embedded leases under Ind AS 17	0.63	1.20	4.34	-	-	-
v. Reversal of amortisation of goodwill on consolidation	1.90	3.65	7.29	-	-	-
vi. Effect on consolidation of employee trusts under Ind AS 110 (refer note a)	1.25	2.26	4.71	-	-	-
vii. Others	(7.73)	(7.27)	(4.27)	(0.80)	(1.60)	(0.96)
viii. Tax impact on above adjustments	(1.79)	0.11	3.33	0.51	3.70	6.19
<b>Total adjustments</b>	<b>(7.85)</b>	<b>(10.97)</b>	<b>0.78</b>	<b>(3.03)</b>	<b>(8.86)</b>	<b>(8.03)</b>
<b>Net Profit for the period after share of loss of joint ventures</b>	<b>59.13</b>	<b>113.77</b>	<b>276.14</b>	<b>61.80</b>	<b>117.64</b>	<b>297.49</b>
Other Comprehensive Income (net of tax) (refer note b)	0.31	2.33	28.35	(5.67)	(7.42)	(2.10)
<b>Total Comprehensive Income as per Ind AS</b>	<b>59.44</b>	<b>116.10</b>	<b>304.49</b>	<b>56.13</b>	<b>110.22</b>	<b>295.39</b>

The reconciliation of equity as at March 31, 2016, in accordance with previous GAAP to equity in accordance with Ind AS is given below:

(Rs. in Crore)

Particulars	Consolidated	Standalone
	As at Mar 31, 2016	
	(Refer note 5)	(Refer note 5)
<b>Equity as per previous GAAP (including minority interest)</b>	<b>2,454.88</b>	<b>2,487.12</b>
<b>Ind AS adjustments [Increase / (decrease) in profits]</b>		
i. Derecognition of proposed dividend	86.04	86.04
ii. Change on account of fair value adjustments on financial instruments	2.61	4.21
iii. Effect on consolidation of employee trusts under Ind AS 110 (refer note a)	71.46	-
iv. Provision for expected credit loss on trade receivables/ contract assets under Ind AS 109	(160.31)	(156.25)
v. Effect of accounting of embedded leases under Ind AS 17	8.51	-
vi. Effect of equity accounting for joint ventures under Ind AS (refer note a)	(99.81)	-
vii. Effect of fair valuation for investment in subsidiary and joint venture under Ind AS 101 as on transition date (April 1, 2015)	-	(130.00)
viii. Reversal of amortisation of goodwill on consolidation	7.29	-
ix. Others	(9.76)	0.33
x. Tax impact on above adjustments	55.42	50.70
<b>Total adjustments</b>	<b>(38.55)</b>	<b>(144.97)</b>
<b>Total Equity as per Ind AS</b>	<b>2,416.33</b>	<b>2,342.15</b>

a. Consequent to adoption of Ind AS, various employee welfare trusts (including ESOP trust) have been consolidated which has led to a reduction in the consolidated equity share capital by Rs. 1.31 crores. Further, Thermax Babcock & Wilcox Energy Solutions Private Limited and Thermax SPX Energy Technologies Limited, hitherto considered as subsidiaries under Indian GAAP are now accounted for as joint ventures and have been consolidated under equity method with effect from transition date.

b. Other comprehensive income includes net movement of cash flow hedge, re-measurement of defined benefit plans and certain other adjustments.

8 During the previous year, the Commissioner of Central Excise, upon adjudication of the show cause-cum-demand notices issued by the Department from time to time for the periods ending March 31, 2015, has passed orders raising demands of Rs. 1,263.24 crores (including penalty but excluding interest not presently quantified). Further, for the period April 2015 to September 2015 show cause notice of Rs. 61.27 crores has been received for the similar matter which is pending adjudication.

These demands are of excise duty payable on inclusion of the cost of bought out items in the assessable value of certain products manufactured by the Company, though such duty paid bought out items are directly dispatched by the manufacturers thereof to the ultimate customer, without being received in the Company's factory. The Company has filed an appeal against the said orders received before CESTAT, Mumbai. Based on an independent legal advice, the Company is confident of the issue being ultimately decided in its favour and accordingly no provision has been considered necessary by the Company in this regard as also for the period thereafter till September 30, 2016.

9 During the quarter, the Company has exercised the option to increase existing equity stake in First Energy Private Limited by 21.34%, thereby increasing the overall stake to 54.67%. The Company has accounted for the transaction in line with the requirements of Indian Accounting Standard (Ind AS) 103 'Business Combinations'.

10 Previous periods' figures, including those related to segments, have been regrouped wherever considered necessary to conform to current periods' groupings/ classification.

**For Thermax Limited**

Place: Pune  
Date: November 10, 2016

**Mrs. Meher Pudumjee**  
**Chairperson**