

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 nine months ended December 31, 2016

(Rs. in Crore)

Particulars	Consolidated					
	Quarter ended			Nine months ended		Year ended
	Dec 31, 2016	Sep 30, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015	Mar 31, 2016
	(Unaudited)	(Unaudited)	(Refer note 5)	(Unaudited)	(Refer note 5)	(Unaudited)
Part I:						
1 Income from operations:						
(a) Gross sales/income from operations (including excise duty)	966.61	1,067.32	1,202.53	3,011.07	3,702.62	5,191.49
(b) Other operating income	6.21	28.39	16.95	59.59	37.49	69.43
Total Income from operations	972.82	1,095.71	1,219.48	3,070.66	3,740.11	5,260.92
2 Expenses:						
(a) Cost of materials consumed	423.19	527.42	585.59	1,349.52	1,888.93	2,703.69
(b) Purchase of stock-in-trade	17.88	16.57	35.88	53.67	67.33	73.20
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(0.19)	(5.27)	19.63	24.31	12.24	(19.31)
(d) Employee benefits expense	163.51	169.11	167.85	508.69	489.74	664.31
(e) Depreciation and amortisation expense	19.66	19.93	19.08	58.96	55.75	72.20
(f) Other expenses	280.96	295.99	326.12	874.71	985.04	1,435.81
Total Expenses	905.01	1,023.75	1,154.15	2,869.86	3,499.03	4,929.90
3 Profit from operations before other income, finance costs and exceptional items (1-2)	67.81	71.96	65.33	200.80	241.08	331.02
4 Other income	25.18	36.14	26.02	84.38	75.85	140.46
5 Profit before finance costs and exceptional items (3+4)	92.99	108.10	91.35	285.18	316.93	471.48
6 Finance costs	1.70	2.38	3.03	7.23	9.60	12.21
7 Profit before exceptional items (5-6)	91.29	105.72	88.32	277.95	307.33	459.27
8 Exceptional items	-	-	-	-	-	-
9 Profit before Tax (7+8)	91.29	105.72	88.32	277.95	307.33	459.27
10 Tax expense	33.49	34.97	27.18	96.20	99.65	143.87
11 Net Profit for the period (9 - 10)	57.80	70.75	61.14	181.75	207.68	315.40
12 Share of profit / (loss) of joint ventures	(4.21)	7.53	(6.88)	(0.92)	(39.65)	(39.26)
13 Share of loss attributable to non controlling interest	1.18	0.30	-	1.48	-	-
14 Net Profit after tax, non controlling interest and share in profit/ (loss) of joint ventures (11+12+13)	54.77	78.58	54.26	182.31	168.03	276.14
15 Other Comprehensive Income, net of tax	(12.06)	(15.15)	11.00	(33.28)	13.33	28.35
16 Total Comprehensive Income for the period (14+ 15)	42.71	63.43	65.26	149.03	181.36	304.49
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	4.86	6.98	4.82	16.19	14.92	24.52
See accompanying notes to the financial results						

(Rs. in Crore)

Particulars	Standalone					
	Quarter ended			Nine months ended		Year ended
	Dec 31, 2016	Sep 30, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015	Mar 31, 2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Part I:						
1 Income from operations:						
(a) Gross sales/income from operations (including excise duty)	807.07	845.06	1,020.22	2,443.55	3,101.69	4,393.85
(b) Other operating income	6.52	25.72	15.19	55.31	33.96	65.07
Total Income from operations	813.59	870.78	1,035.41	2,498.86	3,135.65	4,458.92
2 Expenses:						
(a) Cost of materials consumed	395.90	457.68	598.56	1,210.72	1,768.20	2,528.05
(b) Purchase of stock-in-trade	18.73	14.71	9.90	48.39	38.03	65.18
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4.81)	(5.86)	(4.68)	8.40	14.63	(6.39)
(d) Employee benefits expense	109.58	102.59	117.14	328.50	328.50	450.21
(e) Depreciation and amortisation expense	15.73	16.64	16.01	49.18	47.42	60.89
(f) Other expenses	213.53	224.34	233.86	681.15	736.16	1,047.71
Total Expenses	748.66	810.10	970.79	2,326.34	2,932.94	4,145.65
3 Profit from operations before other income, finance costs and exceptional items (1-2)	64.93	60.68	64.62	172.52	202.71	313.27
4 Other income	20.59	28.86	24.76	70.54	65.23	114.02
5 Profit before finance costs and exceptional items (3+4)	85.52	89.54	89.38	243.06	267.94	427.29
6 Finance costs	0.55	0.71	1.19	1.93	3.53	4.60
7 Profit before exceptional items (5-6)	84.97	88.83	88.19	241.13	264.41	422.69
8 Exceptional items	-	-	-	-	-	-
9 Profit before Tax (7+8)	84.97	88.83	88.19	241.13	264.41	422.69
10 Tax expense	28.31	29.17	24.46	79.59	83.04	125.20
11 Net Profit for the period (9 - 10)	56.66	59.66	63.73	161.54	181.37	297.49
12 Other Comprehensive Income, net of tax	(5.71)	(2.18)	0.64	(14.00)	(6.78)	(2.10)
13 Total Comprehensive Income for the period (11 + 12)	50.95	57.48	64.37	147.54	174.59	295.39
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	4.76	5.00	5.35	13.56	15.22	24.97
See accompanying notes to the financial results						

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Statement of unaudited financial results for the quarter and nine months ended December 31, 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 February 8, 2017.
- 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			Nine months ended		Year ended
	Dec 31, 2016 (Unaudited)	Sep 30, 2016 (Unaudited)	Dec 31, 2015 (Refer note 5)	Dec 31, 2016 (Unaudited)	Dec 31, 2015 (Refer note 5)	Mar 31, 2016 (Unaudited)
1 Segment Revenue						
a. Energy	735.67	866.52	970.97	2,417.56	3,055.55	4,309.13
b. Environment	252.41	240.95	276.47	689.39	747.56	1,040.19
Total	988.08	1,107.47	1,247.44	3,106.95	3,803.11	5,349.32
Less: Inter segment revenue	15.26	11.76	27.96	36.29	63.00	88.40
Sales/ Income from operations	972.82	1,095.71	1,219.48	3,070.66	3,740.11	5,260.92
2 Segment Results						
Profit before tax and interest from each segment						
a. Energy	59.66	75.61	81.68	200.12	256.49	379.07
b. Environment	32.92	22.22	23.08	62.06	59.83	71.95
Total	92.58	97.83	104.76	262.18	316.32	451.02
Less : i) Interest	1.70	2.38	3.03	7.23	9.60	12.21
ii) Other unallocable expenditure net of unallocable (income)	(0.41)	(10.27)	13.41	(23.00)	(0.61)	(20.46)
Total Profit before tax	91.29	105.72	88.32	277.95	307.33	459.27
3 Segment Assets						
a. Energy	2,487.72	2,537.31	2,893.57	2,487.72	2,893.57	2,931.84
b. Environment	787.19	761.49	770.08	787.19	770.08	754.29
c. Unallocated	1,527.90	1,484.55	1,274.85	1,527.90	1,274.85	1,483.90
Total Assets	4,802.81	4,783.35	4,938.49	4,802.81	4,938.49	5,170.03
4 Segment Liabilities						
a. Energy	1,757.62	1,756.81	2,083.72	1,757.62	2,083.72	2,086.31
b. Environment	419.99	414.20	417.52	419.99	417.52	453.35
c. Unallocated	140.25	169.66	149.30	140.25	149.30	214.04
Total Liabilities	2,317.86	2,340.67	2,650.54	2,317.86	2,650.54	2,753.70

(Rs. in Crore)

Particulars	Standalone					
	Quarter ended			Nine months ended		Year ended
	Dec 31, 2016 (Unaudited)	Sep 30, 2016 (Unaudited)	Dec 31, 2015 (Unaudited)	Dec 31, 2016 (Unaudited)	Dec 31, 2015 (Unaudited)	Mar 31, 2016 (Unaudited)
1 Segment Revenue						
a. Energy	582.63	652.03	826.08	1,862.97	2,475.18	3,544.09
b. Environment	246.21	230.48	235.05	672.17	723.47	1,003.38
Total	828.84	882.51	1,061.13	2,535.14	3,198.65	4,547.47
Less: Inter segment revenue	15.25	11.73	25.72	36.28	63.00	88.55
Sales/ Income from operations	813.59	870.78	1,035.41	2,498.86	3,135.65	4,458.92
2 Segment Results						
Profit before tax and interest from each segment						
a. Energy	55.95	66.08	77.94	172.17	226.13	371.90
b. Environment	33.48	18.59	16.41	60.99	50.95	65.13
Total	89.43	84.67	94.35	233.16	277.08	437.03
Less : i) Interest	0.55	0.71	1.19	1.93	3.53	4.60
ii) Other unallocable expenditure net of unallocable (income)	3.91	(4.87)	4.97	(9.90)	9.14	9.74
Total Profit before tax	84.97	88.83	88.19	241.13	264.41	422.69
3 Segment Assets						
a. Energy	1,911.42	1,847.51	2,284.50	1,911.42	2,284.50	2,234.78
b. Environment	769.18	750.00	743.32	769.18	743.32	743.67
c. Unallocated	1,670.55	1,684.97	1,439.35	1,670.55	1,439.35	1,713.36
Total Assets	4,351.15	4,282.48	4,467.17	4,351.15	4,467.17	4,691.81
4 Segment Liabilities						
a. Energy	1,483.51	1,460.54	1,777.36	1,483.51	1,777.36	1,785.92
b. Environment	422.45	420.00	415.48	422.45	415.48	434.69
c. Unallocated	41.54	49.24	52.98	41.54	52.98	129.05
Total Liabilities	1,947.50	1,929.78	2,245.82	1,947.50	2,245.82	2,349.66

- The consolidated Ind AS financial results and other financial information for the quarter and nine months ended December 31, 2015, 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 as quarterly consolidated results have been published for the first time from April 1, 2016.

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Statement of unaudited financial results for the quarter and nine months ended December 31, 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 new 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		
	Dec 31, 2015		Mar 31, 2016	Dec 31, 2015		Mar 31, 2016
	Quarter ended	Nine months ended	Year ended	Quarter ended	Nine months ended	Year ended
	(Refer note 5)	(Refer note 5)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit after tax under previous GAAP (after share of loss minority interest)	56.56	181.30	275.36	67.87	194.37	305.52
Ind AS adjustments [Increase / (decrease) in profits]						
i. Actuarial loss on employee defined benefit plan recognized in Other Comprehensive Income as per Ind AS 19	1.08	3.28	4.45	1.00	3.00	4.03
ii. Change on account of fair value adjustments on financial instruments	0.40	2.50	1.61	0.35	2.46	3.39
iii. Provision for expected credit loss on trade receivables/ contract assets under Ind AS 109	(9.34)	(24.56)	(20.68)	(8.18)	(23.25)	(20.68)
iv. Effect of accounting of embedded leases under Ind AS 17	0.67	1.87	4.34	-	-	-
v. Reversal of amortisation of goodwill	1.82	5.47	7.29	-	-	-
vi. Effect on consolidation of employee trusts under Ind AS 110	1.14	3.40	4.71	-	-	-
vi. Change in functional currency for subsidiaries/ branches.	(2.68)	(4.88)	(2.40)	-	-	-
vii. Others	2.07	(3.00)	(1.87)	(0.69)	(2.29)	(0.96)
viii. Tax impact on above adjustments	2.54	2.65	3.33	3.38	7.08	6.19
Total adjustments	(2.30)	(13.27)	0.78	(4.14)	(13.00)	(8.03)
Net Profit for the period after share of loss of joint ventures	54.26	168.03	276.14	63.73	181.37	297.49
Other Comprehensive Income (net of tax) (refer note a)	11.00	13.33	28.35	0.64	(6.78)	(2.10)
Total Comprehensive Income as per Ind AS	65.26	181.36	304.49	64.37	174.59	295.39

a. 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). During the current quarter, the Company has been served a demand notice of Rs. 67.40 crores (including penalty but excluding interest not presently quantified) for the period April 2015 to September 2015 for the same matter.

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/ is in the process of filing 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 December 31, 2016.

9 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: February 8, 2017

Mrs. Meher Pudumjee
Chairperson

Sustainable Solutions in Energy & Environment