

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 audited financial results for the quarter and year ended March 31, 2017

(Rs. in Crore)

Particulars	Consolidated				
	Quarter ended			Year ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
	(Audited) Refer Note 4	(Unaudited)	(Unaudited) Refer Note 5	(Audited)	(Audited)
1 Income:					
(a) Revenue from operations	1,519.06	972.82	1,525.49	4,589.72	5,265.60
(b) Other income	29.67	25.18	46.56	114.05	122.41
Total Income	1,548.73	998.00	1,572.05	4,703.77	5,388.01
2 Expenses:					
(a) Cost of raw materials and components consumed	817.46	423.19	767.31	2,166.98	2,683.33
(b) Purchase of traded goods	23.01	17.88	27.15	76.68	67.39
(c) Changes in inventories of finished goods, work-in-progress and traded goods	(3.82)	(0.19)	(23.16)	20.49	(10.92)
(d) Excise duty on sale of goods	28.59	28.87	31.31	106.64	120.64
(e) Employee benefits expense	177.71	163.51	170.00	686.40	659.74
(f) Finance cost	2.48	1.70	2.59	9.71	12.19
(g) Depreciation and amortisation expense	22.94	19.66	16.49	81.90	72.24
(h) Other expenses	302.88	252.09	420.59	1,099.54	1,316.30
Total Expenses	1,371.25	906.71	1,412.28	4,248.34	4,920.91
3 Profit before exceptional items, non controlling interest, share of loss of joint ventures and tax					
	177.48	91.29	159.77	455.43	467.10
4 Exceptional items (loss) (note 7)	(17.84)	-	-	(17.84)	-
5 Profit before non controlling interest, share of loss of joint ventures and tax	159.64	91.29	159.77	437.59	467.10
6 Tax expense	59.79	33.49	44.29	155.99	143.94
7 Net Profit for the period	99.85	57.80	115.48	281.60	323.16
8 Share of (loss) of jointly controlled entities	(64.54)	(4.21)	(1.24)	(65.46)	(40.89)
9 Net Profit after tax, non controlling interest and share in (loss) of joint ventures	35.31	53.59	114.24	216.14	282.27
10 Other Comprehensive Income, net of tax					
(a) Items that will be reclassified to profit or loss	11.18	(9.29)	9.66	(13.92)	24.97
(b) Items that will not be reclassified to profit or loss	2.95	(2.77)	(0.91)	(5.23)	(2.89)
Total Other comprehensive income	14.13	(12.06)	8.75	(19.15)	22.08
11 Total Comprehensive Income for the period (including non-controlling interest)	49.44	41.53	122.99	196.99	304.35
12 Net profit/(loss) attributable to:					
-Equity holders	43.66	54.77	114.24	223.01	282.27
-non controlling interest	(8.35)	(1.18)	-	(6.87)	-
13 Other Comprehensive Income, net of tax attributable to:					
-Equity holders	14.13	(12.06)	8.75	(19.15)	22.08
-non controlling interest	-	-	-	-	-
14 Total Comprehensive Income attributable to:					
-Equity holders	57.79	42.71	122.99	203.86	304.35
-non controlling interest	(8.35)	(1.18)	-	(6.87)	-
15 Paid-up Equity Share Capital (Face Value of Rs 2/- each)	22.52	22.52	22.52	22.52	22.52
16 Earnings Per Share (in Rupees) (not annualised)					
Basic and Diluted	3.88	4.86	10.14	19.80	25.07
See accompanying notes to the financial results					

(Rs. in Crore)

Particulars	Standalone				
	Quarter ended			Year ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
	(Audited) Refer Note 4	(Unaudited)	(Audited) Refer Note 4	(Audited)	(Audited)
1 Income:					
(a) Revenue from operations	1,371.43	813.59	1,323.27	3,870.29	4,458.92
(b) Other income	32.11	20.59	48.79	102.65	114.02
Total Income	1,403.54	834.18	1,372.06	3,972.94	4,572.94
2 Expenses:					
(a) Cost of raw materials and components consumed	772.34	395.90	739.93	1,983.06	2,508.13
(b) Purchase of traded goods	22.66	18.73	27.15	71.05	65.18
(c) Changes in inventories of finished goods, work-in-progress and traded goods	(2.20)	(4.81)	(21.02)	6.20	(6.39)
(d) Excise duty on sale of goods	28.59	28.87	31.31	106.64	120.64
(e) Employee benefits expense	130.42	109.58	121.71	458.92	450.21
(f) Finance cost	1.66	0.55	1.07	3.59	4.60
(g) Depreciation and amortisation expense	16.25	15.73	13.47	65.43	60.89
(h) Other expenses	267.53	184.66	300.16	870.63	946.99
Total Expenses	1,237.25	749.21	1,213.78	3,565.52	4,150.25
3 Profit before exceptional items and tax	166.29	84.97	158.28	407.42	422.69
4 Exceptional items (loss) (note 7)	(132.84)	-	-	(132.84)	-
5 Profit before tax	33.45	84.97	158.28	274.58	422.69
6 Tax expense	50.16	28.31	42.16	129.75	125.20
7 Net profit/(loss) for the period	(16.71)	56.66	116.12	144.83	297.49
8 Other Comprehensive Income, net of tax					
(a) Items that will be reclassified to profit or loss	20.42	(3.03)	5.36	14.46	0.54
(b) Items that will not be reclassified to profit or loss	2.40	(2.68)	(0.68)	(5.64)	(2.64)
Total Other comprehensive income	22.82	(5.71)	4.68	8.82	(2.10)
Total comprehensive income	6.11	50.95	120.80	153.65	295.39
9 Paid-up Equity Share Capital (Face Value of Rs 2/- each)	23.83	23.83	23.83	23.83	23.83
10 Earnings (loss) Per Share (in Rupees) (not annualised)	(1.40)	4.76	9.75	12.15	24.97
Basic and Diluted					
See accompanying notes to the financial results					

DUPLICATE FOR IDENTIFICATION
 BY SRBC & CO. LLP
 SRBC & CO. LLP
 PUNE
 CHARTERED ACCOUNTANTS

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Statement of audited financial results for the quarter and year ended March 31, 2017

Statement of Asset and Liabilities

(Rs. in Crore)

	Particulars	Consolidated		Standalone	
		Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
		(Audited)	(Audited)	(Audited)	(Audited)
A	Assets				
I.	Non-current assets				
	Property, plant and equipment	668.17	689.47	520.59	561.69
	Capital work-in-progress	138.47	27.80	126.28	26.71
	Goodwill	105.74	114.91	-	-
	Other intangible assets	36.82	22.93	34.04	21.89
	Intangible assets under development	2.83	32.21	2.83	32.21
	Investments in subsidiaries and joint ventures	216.11	122.58	557.70	469.00
	Financial assets				
	(a) Investments	67.86	62.07	82.03	70.21
	(b) Trade receivables	83.57	52.89	78.26	49.70
	(c) Loans	16.08	16.40	11.72	10.14
	(d) Finance lease receivables	39.16	42.94	-	-
	(e) Other financial assets	0.26	0.20	0.23	0.16
	Deferred tax assets (net)	115.34	120.40	103.73	105.26
	Income tax assets (net)	70.89	95.22	27.47	54.52
	Other non-current assets	201.81	171.00	190.49	157.33
	Sub-total - Non-current assets	1,763.11	1,571.02	1,735.37	1,558.82
II.	Current assets				
	Inventories	283.25	290.32	228.65	224.77
	Financial assets				
	(a) Investments	799.07	865.16	764.73	839.04
	(b) Trade receivables	1,034.24	1,334.09	955.37	1,225.43
	(c) Cash and cash equivalents	173.01	149.40	68.20	66.84
	(d) Other bank balances other than (c) above	47.98	148.24	2.73	111.52
	(e) Loans	10.40	14.50	39.03	26.83
	(f) Finance lease receivables	3.48	3.46	-	-
	(f) Other financial assets	642.65	536.80	530.30	416.01
	Income tax assets (net)	18.99	27.46	18.51	24.18
	Other current assets	284.29	240.57	252.71	199.00
	Sub-total - Current assets	3,297.36	3,610.00	2,860.23	3,133.62
	Total Assets	5,060.47	5,181.02	4,595.60	4,692.44
B	Equity and Liabilities				
I.	Equity				
	Equity share capital	22.52	22.52	23.83	23.83
	Other equity	2,515.10	2,393.64	2,385.93	2,318.32
	Equity attributable to equity holders of the parent	2,537.62	2,416.16	2,409.76	2,342.15
	Non controlling interest	1.39	-	-	-
	Sub-total - equity	2,539.01	2,416.16	2,409.76	2,342.15
II.	Liabilities				
a.	Non-current liabilities				
	Financial liabilities				
	(a) Borrowings	46.02	34.23	-	0.55
	(b) Trade and other payables	47.45	48.80	34.10	25.10
	(c) Other financial liabilities	4.78	3.95	1.47	1.47
	Provisions	10.16	5.57	9.74	5.05
	Deferred tax liabilities (net)	16.01	15.50	-	-
	Other non-current liabilities	31.81	41.52	23.90	35.51
	Sub total - non-current liabilities	156.23	149.57	69.21	67.68
b.	Current liabilities				
	Financial liabilities				
	(a) Borrowings	85.27	137.94	66.22	90.75
	(b) Trade and other payables	1,004.19	947.61	924.51	826.14
	(c) Other current financial liabilities	117.43	184.30	95.06	146.55
	Provisions	149.44	142.90	130.21	120.03
	Other current liabilities	991.73	1,149.84	886.04	1,050.76
	Income tax liabilities (net)	17.17	52.70	14.59	48.38
	Sub total - current liabilities	2,365.23	2,615.29	2,116.63	2,282.61
	Total Equity and Liabilities	5,060.47	5,181.02	4,595.60	4,692.44

INITIALED FOR IDENTIFICATION

BY

SRBC & CO LLP

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Statement of audited financial results for the quarter and year ended March 31, 2017

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 May 30, 2017.
- First time adoption of Ind AS:** The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 and accordingly, the transition was carried out, from the Accounting Principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP), in accordance with Ind AS-101 "First time adoption of Indian Accounting Standards". Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 and the periods presented have been restated / reclassified.

3 Segment information as per Ind AS 108 'Operating segments':

	Particulars	Consolidated			
		Quarter ended		Year ended	
		Mar 31, 2017 (Audited) Refer Note 4	Dec 31, 2016 (Unaudited)	Mar 31, 2016 (Unaudited) Refer Note 5	Mar 31, 2017 (Audited)
i Segment Revenue					
a. Energy	1,207.26	736.26	1,249.55	3,624.82	4,307.16
b. Environment	254.24	168.58	215.18	699.69	720.78
c. Chemical	84.13	85.00	82.93	331.91	327.57
Total	1,545.63	989.84	1,547.66	4,656.42	5,355.51
Less: Inter segment revenue	26.57	17.02	22.17	66.70	89.91
Sales/ Income From operations	1,519.06	972.82	1,525.49	4,589.72	5,265.60
ii Segment Results					
Profit before tax and interest from each segment					
a. Energy	141.31	53.51	148.52	322.87	377.38
b. Environment	24.88	13.58	13.94	38.10	18.03
c. Chemical	18.81	14.69	6.22	59.16	51.59
Total	185.00	81.78	168.68	420.13	447.00
Less : i) Interest	2.48	1.70	2.59	9.71	12.19
ii) Other unallocable expenditure net of unallocable (income)	22.88	(11.21)	6.32	(27.17)	(32.29)
Total profit before tax	159.64	91.29	159.77	437.59	467.10
iii Segment Assets					
a. Energy	2,574.19	2,274.55	2,738.61	2,574.19	2,738.61
b. Environment	454.16	424.55	469.89	454.16	469.89
c. Chemical	318.92	295.08	225.60	318.92	225.60
d. Unallocated	1,713.20	1,764.66	1,746.92	1,713.20	1,746.92
Total Assets	5,060.47	4,758.84	5,181.02	5,060.47	5,181.02
iv Segment Liabilities					
a. Energy	1,856.04	1,715.14	2,061.64	1,856.04	2,061.64
b. Environment	367.47	349.58	340.49	367.47	340.49
c. Chemical	77.49	60.94	51.27	77.49	51.27
d. Unallocated	220.46	148.80	311.46	220.46	311.46
Total Liabilities	2,521.46	2,274.47	2,764.86	2,521.46	2,764.86

Note:-

The Company has reviewed and amended its operating segment disclosure in the current quarter as compared to previous period reportings. Accordingly, the corresponding items of segment information for earlier periods presented above have been restated as per the revised operating segments.

- The figures for the quarter ended March 31 are the balancing figures between audited figures in respect of the full financial year up to March 31 and the unaudited published year-to-date figures up to December 31, being the date of the end of the third quarter of the financial year which were subject to limited review.
- The consolidated financial results for the corresponding quarter ended March 31, 2016 are based on the information compiled by the management as per Ind AS after making necessary adjustments to ensure that the financial results provide a true and fair view of the results in accordance with Ind AS. This information has not been subject to review by the auditors.

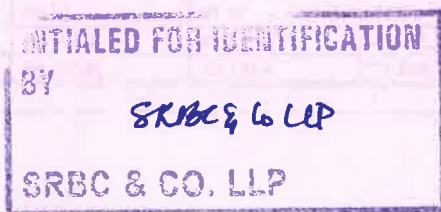
- During the previous year, the Commissioner of Central Excise, upon adjudication of the show cause-cum demand notices issued by the Department for the period June 2000 till March 2015, has raised demands of Rs. 1,263.24 crores (including penalty but excluding interest not presently quantified). During the year, the Company was served an additional demand order 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 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 as at March 31, 2017.

- Considering the current market scenario and performance of certain subsidiaries and joint ventures, the Company has accounted for following impairment on investments (as exceptional items) in the standalone financial results.
 - Thermax Babcock & Wilcox Energy Solutions Private Limited - Rs.111.84 Crores
 - Thermax (Zhejiang) Cooling & Heating Engineering Company Limited - Rs.5 Crores and
 - First Energy Private Limited (FEPL)- Rs.16 Crores.

In the consolidated financial results, exceptional item include impairment of certain intangible assets in FEPL amounting to Rs.17.84 Crores.

- The Board of Directors has recommended a dividend of Rs. 6/- per share of face value of Rs. 2/- (300%) which is subject to approval of shareholders at 36th Annual General Meeting.



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Statement of audited financial results for the quarter and year ended March 31, 2017

Notes to the financial results (continued):

9 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:

Particulars	Consolidated		Standalone	
	Mar 31, 2016		Mar 31, 2016	
	Quarter ended	Year ended	Quarter ended	Year ended
	(Unaudited) Refer Note 5	(Audited)	(Audited) Refer Note 4	(Audited)
Net profit after tax under previous GAAP (after share of loss of minority interest)	94.06	275.36	111.15	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	1.17	4.45	1.03	4.03
ii. Change on account of fair value adjustments on financial instruments	(0.89)	1.61	0.93	3.39
iii. Provision for expected credit loss on trade receivables/ contract assets under Ind AS 109	1.89	(22.67)	2.57	(20.68)
iv. Effect of accounting of embedded leases under Ind AS 17	2.47	4.34	-	-
v. Reversal of amortisation of goodwill on consolidation	1.82	7.29	-	-
vi. Effect on consolidation of employee trusts under Ind AS 110 (refer note a)	1.31	4.71	-	-
vii. Others	10.25	2.37	1.33	(0.96)
viii. Tax impact on the above and other adjustments	2.16	4.81	(0.89)	6.19
Total adjustments	20.18	6.91	4.97	(8.03)
Net Profit for the period after share of loss of joint ventures	114.24	282.27	116.12	297.49
Other Comprehensive Income (net of tax) (refer note b)	8.75	22.08	4.68	(2.10)
Total Comprehensive Income as per Ind AS	122.99	304.35	120.80	295.39

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

Particulars	(Rs. in Crore)	
	Consolidated	Standalone
	As at Mar 31, 2016	
	(Audited)	(Audited)
Equity as per previous GAAP	2,355.07	2,487.12
Ind AS adjustments [Increase / (decrease) in profits]		
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	(162.25)	(156.25)
v. Effect of accounting of embedded leases under Ind AS 17	8.51	-
vi. Effect of fair valuation for investment in subsidiary and joint ventures under Ind AS 101 as on transition date (April 1, 2015)	-	(130.00)
vii. Reversal of amortisation of goodwill on consolidation	7.29	-
viii. Others	(7.99)	0.33
ix. Tax impact on the above and other adjustments	55.42	50.70
Total adjustments	61.09	(144.97)
Total Equity as per Ind AS	2,416.16	2,342.15

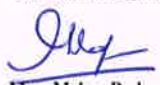
a. Consequent to adoption of Ind AS, various employee welfare trusts (including ESOP trust) have been consolidated which has led to a reduction in the consolidated equity share capital by Rs. 1.31 crores. Further, Thermax Babcock & Wilcox Energy Solutions Private Limited and Thermax SPX Energy Technologies Limited, hitherto considered as subsidiaries under previous GAAP are now accounted for as jointly controlled entities 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 gain/(loss) of defined benefit plans and certain other adjustments.

10 Events after the reporting date:

Thermax Limited, through its step-down subsidiary in Denmark, has acquired 100% share capital of Barite Investments SP. Z.O.O., Poland ("Barite"). With this, Barite became a step-down subsidiary of the Group. Subsequent to March 31, 2017, as part of a definitive agreement entered into with Weiss SP. Z.O.O. in Poland, Thermax acquired the assets and production activities related to boiler manufacturing. The transaction was completed on May 4, 2017, on which date the control has been transferred to the Group. The total consideration involved is Rs 23 Crores and is payable in cash.

For Thermax Limited


Mrs. Meher Pudumjee
Chairperson

Place: Pune
Date: May 30, 2017

Sustainable Solutions in Energy & Environment



