

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 ended June 30, 2016

(Rs. in Crore)

	Particulars	Standalone			Consolidated		
		Quarter ended		Year ended	Quarter ended		Year ended
		June 30, 2016	June 30, 2015	March 31, 2016	June 30, 2016	June 30, 2015	March 31, 2016
		(Unaudited)	(Refer note 6)	(Refer note 6)	(Unaudited)	(Refer note 6)	(Refer note 6)
Part I:							
1	Income from operations:						
(a)	Gross sales/income from operations (including excise duty)	791.42	1,009.49	4,393.85	977.14	1,223.89	5,191.49
(b)	Other operating income	23.07	7.82	65.07	24.99	6.80	69.43
	Total Income from operations	814.49	1,017.31	4,458.92	1,002.13	1,230.69	5,260.92
2	Expenses:						
(a)	Cost of materials consumed	357.14	566.37	2,528.05	398.91	633.96	2,712.90
(b)	Purchase of stock-in-trade	14.95	25.11	65.18	19.22	25.27	73.20
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.07	(6.69)	(6.39)	29.77	(16.62)	(27.25)
(d)	Employee benefits expense	116.33	110.07	450.21	176.07	163.53	664.31
(e)	Depreciation and amortisation expense	16.81	15.76	60.89	19.37	18.34	72.20
(f)	Other expenses	243.28	243.64	1,047.71	297.76	322.58	1,427.88
	Total expenses	767.58	954.26	4,145.65	941.10	1,147.06	4,923.24
3	Profit from operations before other income, finance costs and exceptional items (1-2)	46.91	63.05	313.27	61.03	83.63	337.68
4	Other income	21.09	21.02	114.02	23.06	24.53	137.75
5	Profit before finance costs and exceptional items (3+4)	68.00	84.07	427.29	84.09	108.16	475.43
6	Finance costs	0.67	1.15	4.60	3.15	2.80	12.21
7	Profit before exceptional items (5-6)	67.33	82.92	422.69	80.94	105.36	463.22
8	Exceptional items	-	-	-	-	-	-
9	Profit before Tax (7+8)	67.33	82.92	422.69	80.94	105.36	463.22
10	Tax expense	22.11	27.08	125.20	27.74	33.11	143.50
11	Net Profit for the period (9 - 10)	45.22	55.84	297.49	53.20	72.25	319.72
12	Share of loss of joint ventures and associate				(4.24)	(17.61)	(39.26)
13	Net Profit for the period after share of loss of associate and joint ventures (11+12)	45.22	55.84	297.49	48.96	54.64	280.46
14	Other Comprehensive Income, net of tax	(6.11)	(1.75)	(2.10)	(6.07)	2.02	15.80
15	Total Comprehensive Income for the period (13 + 14)	39.11	54.09	295.39	42.89	56.66	296.26
16	Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	23.83	23.83	23.83	22.52	22.52	22.52
17	Earnings Per Share (in Rupees) (not annualised)						
	Basic and Diluted	3.80	4.69	24.97	4.35	4.85	24.90
	See accompanying notes to the financial results						

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Notes to the financial results:

- 1 This Statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 10, 2016.
- 2 The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 and accordingly this Statement has been prepared in accordance with the recognition and measurement principle 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 the other accounting principles generally accepted in India. Accordingly, the impact on transition has been recorded in opening reserves as at April 1, 2015 (the transition date) and the periods presented have been restated accordingly.
- 3 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.
- 4 The Statement does not include Ind AS compliant results for the preceding quarter ended March 31, 2016, as the same is not mandatory as per SEBI's circular dated July 5, 2016.
- 5 Segment information as per Ind AS 108 'Operating segments':

(Rs. in Crore)

	Particulars	Consolidated		
		Quarter ended		Year ended
		June 30, 2016	June 30, 2015	March 31, 2016
		(Unaudited)	(Refer note 6)	(Refer note 6)
1	Segment Revenue			
	a. Energy	815.37	1,018.65	4,309.13
	b. Environment	196.03	225.61	1,040.19
	Total	1,011.40	1,244.26	5,349.32
	Less: Inter segment revenue	9.27	13.57	88.40
	Sales/ Income From operations	1,002.13	1,230.69	5,260.92
2	Segment Results			
	Profit before tax and interest from each segment			
	a. Energy	64.85	91.45	379.07
	b. Environment	6.92	14.87	71.95
	Total	71.77	106.32	451.02
	Less : i) Interest	3.15	2.80	12.21
	ii) Other unallocable expenditure net of unallocable (income)	(12.32)	(1.84)	(24.41)
	Total profit before tax	80.94	105.36	463.22
3	Segment Assets			
	a. Energy	2,660.40	2,892.73	2,772.80
	b. Environment	712.42	726.43	715.41
	c. Unallocated	1,431.35	1,526.72	1,730.75
	Total Assets	4,804.17	5,145.88	5,218.96
4	Segment Liabilities			
	a. Energy	1,799.66	2,194.96	2,029.42
	b. Environment	378.30	431.88	431.00
	c. Unallocated	175.92	254.26	342.11
	Total Liabilities	2,353.88	2,881.10	2,802.53

- 6 The Ind AS financial results and other financial information for the year ended March 31, 2016 and the quarter ended June 30, 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.
- 7 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.

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Notes to the financial results (continued.):

8 The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

(Rs. in Crore)

Description	Notes	Standalone		Consolidated	
		Quarter ended June 30, 2015	Year ended March 31, 2016	Quarter ended June 30, 2015	Year ended March 31, 2016
		(Refer note 6)	(Refer note 6)	(Refer note 6)	(Refer note 6)
Net profit after tax under previous GAAP (after share of loss of associate and minority interest)		61.67	305.52	57.76	275.36
Ind AS adjustments [Increase in profits / (decrease in profits)]					
i. Actuarial loss on employee defined benefit plan recognized in Other Comprehensive Income as per Ind AS 19		1.00	4.03	1.11	4.45
ii. Change on account of fair value adjustments on financial instruments		(0.53)	3.39	(0.53)	1.61
iii. Provision for expected credit loss on trade receivables / contract assets under Ind AS 109		(8.69)	(20.68)	(9.39)	(20.68)
iv. Effect of accounting of embedded leases under Ind AS 17		-	-	0.57	4.34
v. Amortization of goodwill reversal under Ind AS 103		-	-	1.75	7.29
vi. Effect on consolidation of employee trusts under Ind AS 110	a.	-	-	1.01	4.71
vii. Others		(0.80)	(0.96)	0.46	0.05
viii. Tax impact on above adjustments		3.19	6.19	1.90	3.33
Total adjustments		(5.83)	(8.03)	(3.12)	5.10
Net Profit for the period after share of loss of associate and joint ventures		55.84	297.49	54.64	280.46
Other Comprehensive Income (net of tax)	b.	(1.75)	(2.10)	2.02	15.80
Total Comprehensive Income as per Ind AS		54.09	295.39	56.66	296.26

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 crore. 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 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 of defined benefit plans and certain other adjustments.

9 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 crore (including penalty but excluding interest not presently quantified). Further, for the period April 2015 to September 2015 show cause notice of Rs. 61.27 crore 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 June 30, 2016.

For Thermax Limited

Place: Pune
Date: August 10, 2016

Mrs. Meher Pudumjee
Chairperson

Sustainable Solutions in Energy & Environment

Auditors CFO MD Chairperson Mrs. Anu Aga Mr. Pheroz Pudumjee

Dr. Valentin von Massow Dr. Jairam Varadaraj Dr. R. A. Mashelkar Mr. Nawshir Mirza