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# Thermax manufacturing facility opens in Indonesia

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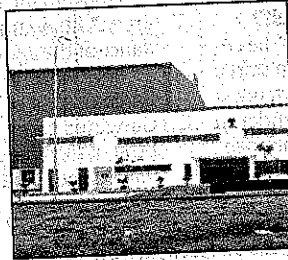
**THERMAX** — the Pune-headquartered capital goods company — has announced the inauguration of its new manufacturing facility in Indonesia.

The facility has entailed an investment of \$25 million and is part of the company's strategy to tap into the international markets and make up for the "missing growth" in the Indian business.

Meher Pudumjee, chairperson of Thermax Group, said the plant will tap the Indonesian as well as ASEAN markets for its products business. "This facility will benefit from the agreement between ASEAN members and help in markets of Malaysia, Thailand, Laos, Cambodia etc," she said. Thermax has created an investment hub in Singapore, through which it will invest in these markets.

The core sector in India has been sluggish over the last three to four years, said Pudumjee. The internationalisation strategy has been in place for the last five years. In 2013, share of international business was 26 per cent and it has now gone up to 36 per cent and will go up to 40 per cent in three years, she added.

Thermax chose Indonesia as



it was the single largest market in the region and there was a growth in the country, she said.

Thermax established PT Thermax International Indonesia in 2014 to focus on Indonesia and other South East Asian markets and this facility will provide indigenous manufacturing muscle and services to customers in the region, she said.

The company has a low 2 to 3 per cent market share at present in Indonesia which will go up to decent double digit, said M S Unnikrishnan, MD & CEO of Thermax. The market is dominated by local players and there are some overseas investors but no company similar to Thermax, he added.

The Indonesian facility, is situated in the industrial area of Krakatau at Cilegon, 100 kms from the capital Jakarta. This facility will produce a range of products such as packaged boilers, steam accessories, water and waste water treatment etc. The

company has already set up subsidiaries for sales-service network in Malaysia, Thailand and Phillipines. After Indonesia, the company has plans to go to Middle East and Africa. Thermax used to sell through agents in the African market but is now setting up its own offices. The first one has come up in Kenya and second one will be in Egypt at Cairo, Unnikrishnan said. Next port of call will be South Africa.

Thermax posted a 11.3 per cent fall in PAT (profit after tax) to Rs 47 crore while revenues dropped by 10.5 per cent to Rs 917 crore during Q1 FY 18 at a consolidated level. As on June 30, 2017, Thermax Group had an order balance of Rs 4,944 crore (Rs 4,040 crore) up 22.4 per cent. As on June 30, 2017, Thermax Group had an order balance of Rs 4944 crore, up 22.4 per cent. Order booking for the quarter, at the consolidated level, was Rs 1,919 crore, up 134.9 per cent compared to Rs 817 crore, last year. On a standalone basis, Thermax PAT was down 28.3 per cent to Rs 32.4 crore and the company reported a total revenue of Rs 756 crore during the quarter which was 9.6 per cent lower than same time PY. Order balance on June 30, 2017 stood at Rs. 4,530 crore (Rs 3,653 crore), up 24 per cent. Order booking for the quarter improved to Rs 1,742 crore (Rs 698 crore), up 149.6 per cent.