

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, 2019

(Rs. Crore)

Sr. No.	Particulars	Consolidated		
		Quarter ended Dec 31, 2019	Quarter ended Dec 31, 2018	Nine months ended Dec 31, 2019
1	Revenue from operations	1,410.05	1,436.60	4,408.35
2	Profit before exceptional items, non controlling interest and tax *	105.44	111.40	315.93
3	Profit before non controlling interest and tax *	105.44	23.89	315.93
4	Net Profit for the period*	84.96	75.04	173.42
5	Total Comprehensive Income	88.90	83.25	167.26
6	Equity Share Capital	22.52	22.52	22.52
7	Earnings Per Share (of Rs. 2/- each) Basic and Diluted (Rs.)	7.54	6.66	15.40

Exceptional item Rs. 87.51 Crore for the period ended December 31, 2018 represents impairment of goodwill in a step down subsidiary.

* There are no extraordinary items in any of the period disclosed above.

Notes:

1. The above is an extract of the detailed format of unaudited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended. The full format of the unaudited financial results is available on the Stock Exchange websites (URL: www.nseindia.com, www.bseindia.com) and also on the Company's website (URL: www.Thermaxglobal.com)

2. Key financial figures for Thermax Limited (Standalone) are as follows :

(Rs. Crore)

Sr. No.	Particulars	Quarter ended Dec 31, 2019	Quarter ended Dec 31, 2018	Nine months ended Dec 31, 2019
1	Revenue from continuing operations	849.63	846.83	2,475.68
2	Profit before exceptional items from continuing operations	76.57	80.34	183.85
3	Profit before tax from continuing operations	76.57	53.11	183.85
4	Net Profit after tax from continuing operations	58.04	26.27	120.24
5	Net profit for the period from discontinued operations (refer note 2(a))	-	21.95	52.60
6	Net profit for the period from continuing and discontinued operations	58.04	48.22	172.84
7	Total comprehensive income for the period	53.53	70.45	156.39

Exceptional item (net) Rs. 27.23 Crore represents impairment and reversal of impairment in the investments of subsidiary companies.

2(a). Net profit for discontinued operations represents results of Boiler & Heater business, which had been approved by the Board of Directors and shareholders, has been transferred on October 1, 2019 on going concern basis to Thermax Babcock and Wilcox Energy Solutions Private Limited, a wholly owned subsidiary. This transaction has no impact on the consolidated financial results of Thermax Group.

3. The Company and its Indian subsidiaries have computed the tax expense of the current financial period as per the tax regime announced under section 115BAA of the Income-tax Act, 1961. Accordingly, (a) the current and deferred tax expense for the quarter and nine months ended December 31, 2019, has been determined at the rate of 25.17% and (b) the deferred tax assets as at April 1, 2019, (on brought forward losses and other items) have been written down considering the enacted rate of 25.17%.

For Thermax Limited

Place : Pune
Date: February 4, 2020

Mrs. Meher Pudumjee
Chairperson

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(Rs. in Crore)

Particulars	Consolidated					
	Quarter ended			Nine months ended		Year ended
	Dec 31, 2019 (Unaudited)	Sept 30, 2019 (Unaudited)	Dec 31, 2018 (Unaudited)	Dec 31, 2019 (Unaudited)	Dec 31, 2018 (Unaudited)	Mar 31, 2019 (Audited)
1 Income:						
(a) Revenue from operations	1,410.05	1,605.85	1,436.60	4,408.35	3,899.50	5,973.17
(b) Other income	25.75	21.99	31.34	69.30	97.93	149.88
Total Income	1,435.80	1,627.84	1,467.94	4,477.65	3,997.43	6,123.05
2 Expenses:						
(a) Cost of raw materials and components consumed	757.10	852.58	748.10	2,305.56	1,963.40	3,239.69
(b) Purchase of traded goods	29.14	29.44	35.21	80.61	81.41	115.09
(c) Changes in inventories of finished goods, work-in-progress and traded goods	(1.55)	(7.36)	4.13	26.18	36.57	(18.12)
(d) Employee benefits expense	199.92	207.21	188.14	601.83	562.37	767.45
(e) Finance cost	1.93	3.83	3.61	10.12	10.81	14.32
(f) Depreciation and amortisation expense	31.57	28.05	22.95	85.86	67.36	92.02
(g) Other expenses	312.25	393.65	353.71	1,051.56	969.09	1,411.62
Total Expenses	1,330.36	1,507.40	1,355.85	4,161.72	3,691.01	5,622.07
3 Profit before exceptional items, non controlling interest, share of joint ventures and tax	105.44	120.44	112.09	315.93	306.42	500.98
4 Share of loss of joint ventures	-	-	(0.69)	-	(0.72)	(1.07)
5 Profit before exceptional items, non controlling interest and tax	105.44	120.44	111.40	315.93	305.70	499.91
6 Exceptional Items (loss)	-	-	(87.51)	-	(87.51)	(89.54)
7 Profit before non controlling interest and tax	105.44	120.44	23.89	315.93	218.19	410.37
8 Tax expense						
(a) Current tax	19.18	27.23	46.27	80.95	124.07	194.00
(b) Deferred tax expense / (credit) (refer note 5)	1.30	67.51	(97.42)	61.56	(104.41)	(109.06)
Total tax expense	20.48	94.74	(51.15)	142.51	19.66	84.94
9 Net Profit for the period	84.96	25.70	75.04	173.42	198.53	325.43
10 Other Comprehensive Income, net of tax						
(a) Items that will be reclassified to profit or loss in subsequent periods	8.84	(0.17)	8.08	9.23	(21.79)	(21.57)
(b) Items that will not be reclassified to profit or loss in subsequent periods	(4.90)	(10.63)	0.13	(15.39)	0.44	(0.15)
Total Other comprehensive income for the period	3.94	(10.80)	8.21	(6.16)	(21.35)	(21.72)
11 Total Comprehensive Income for the period (including non-controlling interest)	88.90	14.90	83.25	167.26	177.18	303.71
12 Net profit attributable to :						
-Equity holders	84.96	25.70	75.04	173.42	198.53	325.43
-Non controlling interest	-	-	-	-	-	-
13 Other Comprehensive Income, net of tax attributable to:						
-Equity holders	3.94	(10.80)	8.21	(6.16)	(21.35)	(21.72)
-Non controlling interest	-	-	-	-	-	-
14 Total Comprehensive Income attributable to:						
-Equity holders	88.90	14.90	83.25	167.26	177.18	303.71
-Non controlling interest	-	-	-	-	-	-
15 Paid-up Equity Share Capital (Face Value of Rs. 2/- each)	22.52	22.52	22.52	22.52	22.52	22.52
16 Other equity	-	-	-	-	-	2,991.77
17 Earnings Per Share (in Rupees) (not annualised)						
Basic and Diluted	7.54	2.29	6.66	15.40	17.63	28.90
See accompanying notes to the financial results						

(Rs. in Crore)

Particulars	Standalone					
	Quarter ended			Nine months ended		Year ended
	Dec 31, 2019 (Unaudited)	Sept 30, 2019 (Unaudited)	Dec 31, 2018 (Unaudited)	Dec 31, 2019 (Unaudited)	Dec 31, 2018 (Unaudited)	Mar 31, 2019 (Audited)
A. Continuing operations						
1 Income:						
(a) Revenue from operations	849.63	838.30	846.83	2,475.68	2,213.50	3,541.10
(b) Other income	24.55	25.23	24.17	66.85	90.42	122.80
Total Income	874.18	863.53	871.00	2,542.53	2,303.92	3,663.90
2 Expenses:						
(a) Cost of raw materials and components consumed	457.46	450.71	478.80	1,347.39	1,193.11	2,111.73
(b) Purchase of traded goods	28.25	27.64	35.19	77.02	80.06	111.18
(c) Changes in inventories of finished goods, work-in-progress and traded goods	0.25	11.72	(0.17)	32.21	27.66	(16.89)
(d) Employee benefits expense	112.24	106.63	99.63	319.49	290.02	393.34
(e) Finance cost	1.66	0.78	0.94	3.20	3.27	5.26
(f) Depreciation and amortisation expense	16.13	15.74	11.87	45.98	37.74	50.13
(g) Other expenses	181.62	178.10	164.40	533.39	484.31	691.02
Total Expenses	797.61	791.32	790.66	2,358.68	2,116.17	3,345.77
3 Profit before exceptional items and tax	76.57	72.21	80.34	183.85	187.75	318.13
4 Exceptional items (net) (loss)	-	-	(27.23)	-	(27.23)	(47.85)
5 Profit before tax	76.57	72.21	53.11	183.85	160.52	270.28
6 Tax expense						
(a) Current tax	15.31	18.43	30.38	50.58	70.57	106.15
(b) Deferred tax expense / (credit) (refer note 5)	3.22	15.12	(3.54)	13.03	(6.53)	3.11
Total tax expense	18.53	33.55	26.84	63.61	64.04	109.26
7 Net profit for the period from continuing operations	58.04	38.66	26.27	120.24	96.48	161.02
B. Discontinued operations (refer note 4)						
8 Profit before tax from discontinued operations	-	51.29	32.82	90.49	100.09	173.22
9 Tax expense of discontinued operations (refer note 5)	-	25.06	10.87	37.89	34.14	59.00
10 Net profit for the period from discontinued operations	-	26.23	21.95	52.60	65.95	114.22
11 Net profit for the period from continuing and discontinued operations (7+10)	58.04	64.89	48.22	172.84	162.43	275.24
12 Other Comprehensive Income, net of tax						
(a) Items that will be reclassified to profit or loss in subsequent periods	(1.19)	(2.21)	22.11	(2.62)	(22.46)	(21.10)
(b) Items that will not be reclassified to profit or loss in subsequent periods	(3.32)	(10.58)	0.12	(13.83)	0.35	0.28
Total other comprehensive income for the period	(4.51)	(12.79)	22.23	(16.45)	(22.11)	(20.82)
13 Total comprehensive income for the period	53.53	52.10	70.45	156.39	140.32	254.42
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 Other equity	-	-	-	-	-	2,712.02
16 Basic and Diluted Earnings Per Share (in Rupees) (not annualised)						
(a) From continuing operations	4.88	3.24	2.20	10.10	8.10	13.51
(b) From discontinued operations	-	2.20	1.85	4.41	5.53	9.59
(c) From continuing and discontinued operations	4.88	5.44	4.05	14.51	13.63	23.10
See accompanying notes to the financial results						

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Notes to the financial results:

- These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 4, 2020.
- Segment information as per Ind AS 108 'Operating segments' for consolidated financial results:

Particulars	Quarter ended			Nine months ended		Year ended
	Dec 31, 2019	Sept 30, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Mar 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
i Segment Revenue						
a. Energy	1,120.84	1,340.97	1,134.87	3,625.77	3,081.12	4,799.47
b. Environment	197.35	179.16	213.37	522.86	560.56	828.30
c. Chemical	116.78	110.52	111.74	324.99	312.57	415.11
Total	1,434.97	1,630.65	1,459.98	4,473.62	3,954.25	6,042.88
Less: Inter segment revenue	24.92	24.80	23.38	65.27	54.75	69.71
Income from operations	1,410.05	1,605.85	1,436.60	4,408.35	3,899.50	5,973.17
ii Segment Results (excluding exceptional items)						
Profit before tax and interest from each segment						
a. Energy	64.72	82.68	61.27	216.93	185.01	321.77
b. Environment	10.26	8.49	15.45	21.84	25.66	56.72
c. Chemical	28.87	19.82	17.25	60.16	44.69	61.73
Total	103.85	110.99	93.97	298.93	255.36	440.22
Less : i) Interest	1.93	3.83	3.61	10.12	10.81	14.32
ii) Other unallocable expenditure net of unallocable (income)	(3.52)	(13.28)	(21.73)	(27.12)	(61.87)	(75.08)
iii) Share of loss of joint ventures (relating to Energy segment)	-	-	0.69	-	0.72	1.07
iv) Exceptional items (relating to Energy segment)	-	-	87.51	-	87.51	89.54
Total profit before tax	105.44	120.44	23.89	315.93	218.19	410.37
iii Segment Assets						
a. Energy	3,340.97	3,766.42	3,645.76	3,340.97	3,645.76	3,992.36
b. Environment	471.54	416.55	448.33	471.54	448.33	497.51
c. Chemical	393.78	385.09	380.50	393.78	380.50	364.70
d. Unallocated	1,880.83	1,762.74	2,099.34	1,880.83	2,099.34	1,945.37
Total Assets	6,087.12	6,330.80	6,573.93	6,087.12	6,573.93	6,799.94
iv Segment Liabilities						
a. Energy	2,301.70	2,699.87	2,961.73	2,301.70	2,961.73	3,113.26
b. Environment	372.23	339.77	356.71	372.23	356.71	383.43
c. Chemical	57.31	54.72	75.36	57.31	75.36	54.03
d. Unallocated	269.35	238.81	292.50	269.35	292.50	234.93
Total Liabilities	3,000.59	3,333.17	3,686.30	3,000.59	3,686.30	3,785.65

- During earlier years and the current financial period, Thermax Limited ("the Company") had received demand notices from the Excise department covering period from June 2000 till June 2017 for Rs. 1,385.47 crores (including penalty but excluding interest not presently quantified). 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.
- As part of organisational restructuring the Board of Directors and Shareholders of the Company, had approved the transfer of Boiler & Heater (B&H) business of Thermax Limited to Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES) on a going concern basis through slump sale. The B&H business was transferred to TBWES w.e.f. October 01, 2019. Accordingly, the results of B&H business has been classified as discontinued operations in the standalone financial results in accordance with Ind AS 105 upto the date of such transfer. The financial parameters in respect of discontinued operations are stated below. The transaction has no impact on the consolidated financial results as the business is continued in TBWES.

Particulars	Quarter ended			Nine months ended		Year ended
	Dec 31, 2019	Sept 30, 2019	Dec 31, 2018	Dec 31, 2019 *	Dec 31, 2018	Mar 31, 2019
Revenue from operations	-	567.73	401.34	947.72	1,072.36	1,634.24
Total income	-	568.70	402.20	949.56	1,076.18	1,648.00
Total expenses	-	517.41	369.38	859.07	976.09	1,474.78
Profit before tax	-	51.29	32.82	90.49	100.09	173.22
Tax expenses	-	25.06	10.87	37.89	34.14	59.00
Profit after tax	-	26.23	21.95	52.60	65.95	114.22

* includes figure upto September 30, 2019 (i.e. date of transfer of B&H business)

- The Company and its Indian subsidiaries have computed the tax expense of the current financial period as per the tax regime announced under section 115BAA of the Income-tax Act, 1961. Accordingly, (a) the current and deferred tax expense for the quarter and nine months ended December 31, 2019, has been determined at the rate of 25.17% and (b) the deferred tax assets as at April 1, 2019, (on brought forward losses and other items) have been written down considering the enacted rate of 25.17%.
- The Ministry of Corporate Affairs has notified Ind AS 116 "Leases" with effect from April 1, 2019. The Group has applied the Standard to lease contracts existing on April 1, 2019 using modified retrospective method. Accordingly, comparative amounts for year ended March 31, 2019 have not been retrospectively adjusted. Adoption of the new standard has resulted in recognition of "Right-of-Use assets" (ROU) and lease liability, and did not have any significant impact on the standalone and consolidated financial results for the quarter and nine months ended December 31, 2019.

For Thermax Limited

Place: Pune
Date: February 4, 2020

Mrs. Meher Pudumjee
Chairperson