

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, 2018

(Rs. Crore)

Sr. No.	Particulars	Consolidated		
		Quarter ended Dec 31, 2018	Quarter ended Dec 31, 2017	Nine months ended Dec 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)
1	Total revenue from operations	1,436.60	1,116.96	3,899.50
2	Profit before exceptional items *	112.09	96.07	306.42
3	Profit before tax *	24.58	96.07	218.91
4	Net Profit for the period after share of joint ventures *	75.04	58.58	198.53
5	Total Comprehensive Income	83.25	63.99	177.18
6	Equity Share Capital	22.52	22.52	22.52
7	Earnings Per Share (of Rs. 2/- each) Basic and Diluted (Rs.)	6.66	5.20	17.63

Exceptional item Rs. 87.51 Crore 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. 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 unaudited financial figures for Thermax Limited (Standalone) are as follows :

(Rs. Crore)

Sr. No.	Particulars	Quarter ended Dec 31, 2018	Quarter ended Dec 31, 2017	Nine months ended Dec 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)
		1	Total revenue from continuing operations	846.83
2	Profit before exceptional items	80.34	70.14	187.75
3	Profit before tax	53.11	70.14	160.52
4	Net Profit after tax from continuing operations	26.27	46.31	96.48
5	Net profit for the period from discontinued operations (refer note 2(a))	21.95	16.89	65.95
6	Net profit for the period from continuing and discontinued operations	48.22	63.20	162.43

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 represent results of Boiler & Heater business, which has been approved to be transferred on going concern basis to Thermax Babcock and Wilcox Energy Solutions Private Limited, a wholly owned subsidiary, by the Board of Directors, subject to approval of the shareholders. This transaction has no impact on the consolidated financial statements of Thermax Group.

For Thermax Limited

Place : Pune

Date: February 8, 2019

Mrs. Meher Pudumjee
Chairperson

Sustainable Solutions in Energy & Environment

THERMAX LIMITED
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(Rs. in Crore)

Particulars	Consolidated					
	Quarter ended			Nine months ended		Year ended
	Dec 31, 2018 (Unaudited)	Sep 30, 2018 (Unaudited)	Dec 31, 2017 (Unaudited)	Dec 31, 2018 (Unaudited)	Dec 31, 2017 (Unaudited)	Mar 31, 2018 (Audited)
1 Income:						
(a) Revenue from operations	1,436.60	1,427.64	1,116.96	3,899.50	3,042.63	4,485.64
(b) Other income	31.34	35.57	23.84	97.93	71.44	116.39
Total Income	1,467.94	1,463.21	1,140.80	3,997.43	3,114.07	4,602.03
2 Expenses:						
(a) Cost of raw materials and components consumed	748.10	731.92	531.45	1,963.40	1,499.39	2,301.35
(b) Purchase of traded goods	35.21	27.59	20.59	81.41	50.83	75.43
(c) Changes in inventories of finished goods, work-in-progress and traded goods	4.13	17.88	35.16	36.57	10.23	(27.44)
(d) Excise duty on sale of goods	-	-	-	-	20.76	20.76
(e) Employee benefits expense	199.82	213.71	171.97	600.37	515.19	696.57
(f) Finance cost	3.61	3.89	2.48	10.81	9.16	12.85
(g) Depreciation and amortisation expense	22.95	23.45	20.75	67.36	58.52	82.44
(h) Other expenses	342.03	326.51	262.33	931.09	683.46	1,018.03
Total Expenses	1,355.85	1,344.95	1,044.73	3,691.01	2,847.54	4,179.99
3 Profit before exceptional items, non controlling interest, share of joint ventures and tax	112.09	118.26	96.07	306.42	266.53	422.04
4 Exceptional Items (loss) (refer note 8)	(87.51)	-	-	(87.51)	-	-
5 Profit before non controlling interest, share of joint ventures and tax	24.58	118.26	96.07	218.91	266.53	422.04
6 Tax expense						
(a) Current tax	46.27	49.78	37.88	124.07	93.00	158.99
(b) Deferred tax expense / (credit) (refer note 7(a))	(97.42)	(6.37)	(0.11)	(104.41)	10.14	6.76
Total tax expense	(51.15)	43.41	37.77	19.66	103.14	165.75
7 Net Profit for the period	75.73	74.85	58.30	199.25	163.39	256.29
8 Share of Profit / (loss) of joint ventures	(0.69)	(0.33)	0.28	(0.72)	(7.98)	(25.19)
9 Net Profit after tax and share of joint ventures	75.04	74.52	58.58	198.53	155.41	231.10
10 Other Comprehensive Income, net of tax						
(a) Items that will be reclassified to profit or loss in subsequent periods	8.08	(6.06)	6.63	(21.79)	23.46	23.54
(b) Items that will not be reclassified to profit or loss in subsequent periods	0.13	(0.44)	(1.22)	0.44	(3.39)	3.49
Total Other comprehensive income for the period	8.21	(6.50)	5.41	(21.35)	20.07	27.03
11 Total Comprehensive Income for the period (including non-controlling interest)	83.25	68.02	63.99	177.18	175.48	258.13
12 Net profit/(loss) attributable to :						
-Equity holders	75.04	74.52	58.58	198.53	156.42	232.11
-Non controlling interest	-	-	-	-	(1.01)	(1.01)
13 Other Comprehensive Income, net of tax attributable to:						
-Equity holders	8.21	(6.50)	5.41	(21.35)	20.07	27.03
-Non controlling interest	-	-	-	-	-	-
14 Total Comprehensive Income attributable to:						
-Equity holders	83.25	68.02	63.99	177.18	176.49	259.14
-Non controlling interest	-	-	-	-	(1.01)	(1.01)
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	-	-	-	-	-	2,692.22
17 Earnings Per Share (in Rupees) (not annualised)						
Basic and Diluted	6.66	6.62	5.20	17.63	13.89	20.61
See accompanying notes to the financial results						

(Rs. in Crore)

Particulars	Standalone					
	Quarter ended			Nine months ended		Year ended
	Dec 31, 2018 (Unaudited)	Sep 30, 2018 (Unaudited)	Dec 31, 2017 (Unaudited)	Dec 31, 2018 (Unaudited)	Dec 31, 2017 (Unaudited)	Mar 31, 2018 (Audited)
A. Continuing operation						
1 Income:						
(a) Revenue from continuing operations	846.83	758.43	658.40	2,213.50	1,852.12	2,746.17
(b) Other income	24.17	40.63	20.29	90.42	62.84	99.36
Total Income	871.00	799.06	678.69	2,303.92	1,914.96	2,845.53
2 Expenses:						
(a) Cost of raw materials and components consumed	478.80	411.20	308.76	1,193.11	969.99	1,493.52
(b) Purchase of traded goods	35.19	27.13	16.60	80.06	46.39	68.02
(c) Changes in inventories of finished goods, work-in-progress and traded goods	(0.17)	18.32	29.23	27.66	4.62	(21.47)
(d) Excise duty on sale of goods	-	-	-	-	18.75	18.75
(e) Employee benefits expense	99.63	96.83	89.86	290.02	269.03	357.05
(f) Finance cost	0.94	1.25	0.67	3.27	2.85	4.02
(g) Depreciation and amortisation expense	11.87	12.43	13.14	37.74	35.54	49.37
(h) Other expenses	164.40	170.92	150.29	484.31	391.30	591.23
Total Expenses	790.66	738.08	608.55	2,116.17	1,738.47	2,560.49
3 Profit before exceptional items and tax	80.34	60.98	70.14	187.75	176.49	285.04
4 Exceptional items net (loss) (refer note 7(a) and 8)	(27.23)	-	-	(27.23)	-	(25.00)
5 Profit before tax	53.11	60.98	70.14	160.52	176.49	260.04
6 Tax expense						
(a) Current tax	30.38	23.69	23.95	70.57	56.00	99.40
(b) Deferred tax expense / (credit)	(3.54)	(2.11)	(0.12)	(6.53)	5.82	(0.50)
Total tax expense	26.84	21.58	23.83	64.04	61.82	98.90
7 Net profit for the period from continuing operations	26.27	39.40	46.31	96.48	114.67	161.14
B. Discontinued operation						
8 Profit before tax from discontinued operations	32.82	46.11	25.64	100.09	58.19	118.07
9 Tax expense of discontinued operations	10.87	16.17	8.75	34.14	20.38	40.96
10 Net profit for the period from discontinued operations	21.95	29.94	16.89	65.95	37.81	77.11
11 Net profit for the period from continuing and discontinued operations (7+10)	48.22	69.34	63.20	162.43	152.48	238.25
12 Other Comprehensive Income, net of tax						
(a) Items that will be reclassified to profit or loss in subsequent periods	22.11	(22.07)	11.88	(22.46)	8.20	0.57
(b) Items that will not be reclassified to profit or loss in subsequent periods	0.12	(0.52)	(1.08)	0.35	(3.25)	3.02
Total other comprehensive income for the period	22.23	(22.59)	10.80	(22.11)	4.95	3.59
13 Total comprehensive income for the period	70.45	46.75	74.00	140.32	157.43	241.84
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	-	-	-	-	-	2,541.73
16 Basic and Diluted Earnings Per Share (in Rupees) (not annualised)						
(a) From continuing operations	2.20	3.31	3.89	8.10	9.62	13.52
(b) From discontinued operations	1.85	2.51	1.42	5.53	3.18	6.47
(c) From continuing and discontinued operations	4.05	5.82	5.31	13.63	12.80	19.99
See accompanying notes to the financial results						

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Notes to the financial results:

- 1 These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 8, 2019. The results have been subjected to Limited Review by the statutory auditors.
- 2 Segment information as per Ind AS 108 'Operating segments':

	Particulars	Consolidated					
		Quarter ended			Nine months ended		Year ended
		Dec 31, 2018	Sep 30, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Mar 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
i	Segment Revenue						
	a. Energy	1,134.87	1,144.82	871.64	3,081.12	2,381.28	3,497.05
	b. Environment	213.37	200.73	173.72	560.56	421.74	693.75
	c. Chemical	111.74	104.04	90.61	312.57	280.85	360.98
	Total	1,459.98	1,449.59	1,135.97	3,954.25	3,083.87	4,551.78
	Less: Inter segment revenue	23.38	21.95	19.01	54.75	41.24	66.14
	Income From operations	1,436.60	1,427.64	1,116.96	3,899.50	3,042.63	4,485.64
ii	Segment Results (excluding exceptional items)						
	Profit before tax and interest from each segment						
	a. Energy	61.27	82.57	72.04	185.01	171.48	283.42
	b. Environment	15.45	5.60	4.94	25.66	7.39	28.98
	c. Chemical	17.25	15.63	13.01	44.69	51.62	54.21
	Total	93.97	103.80	89.99	255.36	230.49	366.61
	Less : i) Interest	3.61	3.89	2.48	10.81	9.16	12.85
	ii) Other unallocable expenditure net of unallocable (income)	(21.73)	(18.35)	(8.56)	(61.87)	(45.20)	(68.28)
	iii) Exceptional items (relating to Energy segment) (refer note 8)	87.51	-	-	87.51	-	-
	Total profit before tax	24.58	118.26	96.07	218.91	266.53	422.04
iii	Segment Assets						
	a. Energy	3,645.76	3,627.52	2,709.64	3,645.76	2,709.64	2,893.15
	b. Environment	448.33	450.01	480.69	448.33	480.69	493.66
	c. Chemical	380.50	381.49	362.06	380.50	362.06	354.12
	d. Unallocated	2,099.34	1,873.09	2,057.13	2,099.34	2,057.13	2,204.10
	Total Assets	6,573.93	6,332.11	5,609.52	6,573.93	5,609.52	5,945.03
iv	Segment Liabilities						
	a. Energy	2,961.73	2,823.57	2,294.18	2,961.73	2,294.18	2,518.04
	b. Environment	356.71	350.60	380.30	356.71	380.30	388.50
	c. Chemical	75.36	66.15	68.50	75.36	68.50	63.20
	d. Unallocated	292.50	287.35	234.16	292.50	234.16	260.55
	Total Liabilities	3,686.30	3,527.67	2,977.14	3,686.30	2,977.14	3,230.29

- 3 Post applicability of Goods and Services Tax (GST) with effect from July 1, 2017, the revenue from operations is disclosed net of GST. The revenue from operations for the nine months ended December 31, 2017 is inclusive of excise duty and is accordingly not comparable with revenue for the nine months ended December 31, 2018 to that extent.
- 4 Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no material adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any material impact on recognition and measurement of revenue and related items in the financial results.
- 5 During earlier years and in the current period, the Company has received show cause-cum-demand notices from the Excise department covering period from June 2000 till March 2017 for Rs. 1,381.55 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 independent legal advice, the Company is confident of the issue being ultimately decided in its favour and accordingly no provision has been considered necessary.
- 6 The Company has completed the acquisition process for the equity shares held by Babcock and Wilcox India Holding Inc. (B&W) in Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES) on July 19, 2018. Accordingly, TBWES has become a wholly owned subsidiary of the Company. In the quarter ended September 30, 2018, the Company had accounted for the transaction on provisional basis under Ind AS 103 'Business Combinations'. Pursuant to the acquisition, TBWES results which were earlier consolidated on 'Equity' basis have been consolidated as a wholly owned subsidiary. Consequently, the financial results are not comparable to that extent.
- 7(a) Subsequent to the acquisition of TBWES, as part of organisation restructuring the Board of Directors of the Company at its meeting held on February 8, 2019, subject to share holders approval, have approved the transfer of Boiler & Heater (B&H) business of Thermax Limited to TBWES on a going concern basis through slump sale. The consideration for the transaction will not be less than the book value of B&H business. In view of expected business synergies, available order book and current and expected performance of B&H business, management has assessed the carrying value of Investments in TBWES in standalone results and have accordingly reversed the earlier impairment loss of Rs 111.84 Crores (disclosed as exceptional item). Further deferred tax assets amounting to Rs 94.13 Crores has been accounted in the consolidated results on the basis of assessment of probability of deductibility of brought forward losses and depreciation of TBWES against future taxable profit.
- 7(b) Considering management's intention to transfer B&H business to TBWES as noted in para 7(a) above, the results of B&H business have been classified as discontinued operations in the standalone results as at December 31, 2018 in accordance with Ind AS 105. The financial parameters in respect of discontinued operations is stated below. The financial results of the previous periods have accordingly been restated. The transaction has no impact on the consolidated financial results as the business will be continued in TBWES, a wholly owned subsidiary of the Company.

Particulars	(Rs. in Crore)					
	Quarter ended			Nine months ended		Year ended
	Dec 31, 2018	Sep 30, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Mar 31, 2018
Revenue from operations	401.34	429.97	322.11	1,072.36	726.40	1,142.46
Total income	402.20	430.78	323.69	1,076.18	729.53	1,147.08
Total expenses	369.38	384.67	298.05	976.09	671.34	1,029.01
Profit before tax	32.82	46.11	25.64	100.09	58.19	118.07
Tax expenses	10.87	16.17	8.75	34.14	20.38	40.96
Profit after tax	21.95	29.94	16.89	65.95	37.81	77.11

- 8 In addition to the exceptional item referred in para 7(a) above, considering the current market scenario and performance of certain subsidiaries, during the quarter and nine months period ended December 31, 2018, the Company has accounted for following impairment on investments (as exceptional items) in the standalone financial results.
- i) Thermax Netherlands B.V. - Rs. 126.38 Crores
- ii) First Energy Private Limited (FEPL)- Rs.12.69 Crores.

In the consolidated financial results, exceptional item pertains to impairment of goodwill for Rs. 87.51 Crores related to the stepdown subsidiary of Thermax Netherlands B.V. (i.e. Thermax Denmark ApS)

For Thermax Limited

Place: Pune
Date: February 8, 2019

Mrs. Meher Pudumjee
Chairperson