

THERMAX LIMITED THERMAX HOUSE, 14 MUMBAI PUNE ROAD, WAKDEWADI,
PUNE 411 003. INDIA ☐ TEL.: (020) 25542122, 25542263 ☐ FAX : (020) 25541226
Website : www.thermaxglobal.com ☐ IT PAN - AAAC 3910D
Customer Care : 18002090115 (India Toll Free)

Corporate Finance



Ref: KPP/TL-36/03226
Date: February 08, 2019

**The Manager,
Listing Department,
The National Stock Exchange of India Limited,
Exchange Plaza, C/1, Block-G,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051**

Company's Scrip Code: THERMAX EQ

Sub: Outcome of the Board meeting

Ref: Regulation 30 and 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir,

We are enclosing for your reference and record the following:

- a) Standalone and consolidated unaudited financial results for the quarter and nine months ended December 31, 2018 as approved by the Board at its meeting held today i.e. February 8, 2019;
- b) 'Limited Review' Report of the statutory Auditors of the Company;
- c) Press Release; and
- d) Annexure-A containing the detailed disclosure as required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the transfer of the Company's Boiler and Heater business division ("B&H business") on a going concern basis to a Wholly Owned Subsidiary ("WOS") of the Company by way of slump sale, subject to the approval of the shareholders through postal ballot.

You are requested to kindly take note of the same.

Thanking you,

Yours faithfully,
For **THERMAX LIMITED**



**Kedar P. Phadke
Company Secretary**

Encls: as above

Annexure-A

Details which a listed entity needs to disclose for sale or disposal of unit(s) or division(s) of the listed entity under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.4 of Annexure I of the SEBI Circular dated September 9, 2015

Sr. No	Particulars	Details
1.	Brief details about the Buyer and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof;	Thermax Babcock & Wilcox Energy Solutions Private Limited ("TBWES") is a Wholly Owned Subsidiary ("WOS") of the Company and it is engaged in the business of designing, engineering, fabrication, supply, erection, commissioning of boilers and it caters to both domestic and international markets. TBWES has state-of-art and advanced manufacturing facilities for manufacture of boilers.
2.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	Turnover of Boiler & Heater ("B&H") business of the Company for FY 2017-18 was Rs.1101 Crore, which is 29% of consolidated turnover of the Company.
3.	Date on which the agreement for sale has been entered into	The Board of Directors of the Company have approved the proposed transaction on February 8, 2019 including authority to officers of the Company to enter into the Slump Sale Agreement to give effect to the transaction which will be executed shortly.
4.	The expected date of completion of sale/ disposal	Subject to regulatory, statutory and other approvals, if any, the sale is expected to be completed on or before June 30, 2019.
5.	Consideration received from such sale/disposal	Cash consideration which is not less than the net asset value of the business being transferred subject to adjustment of change in working capital till the date of completion.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"	Yes, the transaction is between related parties as the seller and buyer are holding and Wholly Owned Subsidiary respectively. The transaction is proposed to be carried out for a consideration not less than net book value of the B&H Business and not at arms' length.
7.	Rationale for slump sale	Proposed transaction shall help in consolidation of the B&H business of the Group in a single entity i.e. TBWES which will inter-alia benefit the Thermax Group as a whole as under:



		a) Consolidation of B&H business would result into operational synergies and lead to overall cost optimization; b) Consolidation of B&H businesses of the Group in a single entity and hence creating a separate sector focused company; c) Creation of a separate company for B&H business with a separate focused management would provide greater flexibility in pursuing long-term growth plans and strategies for the B&H business. It will also help management in evaluation of performance of the B&H business on an independent basis; d) De-risk the existing businesses of Thermax from B&H business thus help management to efficiently exploit opportunities for different businesses independently; e) Considering that facility of TBWES is latest and state-of art, proposed consolidation of business would help in improving the efficiency of the B&H business and attracting more customers; f) Proposed transaction will give B&H business of Thermax access to the technologies and state-of-art facilities available with TBWES; g) Management believes that proposed transaction would be in the best interest of the shareholders, creditors, employees and all other stakeholders of the Company.
8.	Brief details of change in shareholding pattern (if any) of listed entity.	There will be no change in the shareholding pattern of the Thermax Limited consequent to this transaction. No listing is sought for the Transferee Company.



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)
		(Unaudited)	(Unaudited)	(Unaudited)
1	Total revenue from continuing operations	846.83	658.40	2,213.50
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.

Place : Pune

Date: February 8, 2019

For Thermax Limited


Mrs. Meher Pudumjee
Chairperson

Sustainable Solutions in Energy & Environment





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. in Crore)					
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)
1 Income:							
(a) Revenue from operations		1,436.60	1,427.64	1,116.96	3,899.50	3,042.63	4,185.64
(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	Sep 30, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Mar 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(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)							
From continuing operations		2.20	3.31	3.89	8.10	9.62	13.52
From discontinued operations		1.85	2.51	1.42	5.53	3.18	6.47
From continuing and discontinued operations		4.05	5.82	5.31	13.63	12.80	19.99
See accompanying notes to the financial results							

INITIAL FOR IDENTIFICATION
 BY
 SRBC & CO LLP
 SRBC & CO LLP

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

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

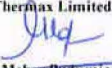
- 3 Post applicability of Goods and Services Tax (GST) with effect from July 1, 2017, the revenue from operations is disclosed net of GST. The revenue from operations for the nine months ended December 31, 2017 is inclusive of excise duty and is accordingly not comparable with revenue for the nine months 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		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)

INITIAL FOR IDENTIFICATION
 BY
 SRBC & CO LLP
 Sustainable Solutions in Energy & Environment
 SRBC & CO LLP

For Thermax Limited

 Mrs. Meher Pundimjee
 Chairperson

Place: Pune
 Date: February 8, 2019

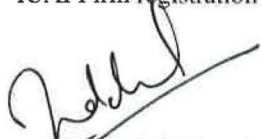
Limited Review Report**Review Report to
The Board of Directors
Thermax Limited**

1. We have reviewed the accompanying statement of unaudited standalone Ind AS financial results of Thermax Limited (the 'Company') for the quarter ended December 31, 2018 and year to date from April 1, 2018 to December 31, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Ind AS specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 5 of the Statement relating to the demand orders on the Company for Rs. 1,381.55 crores (including penalty of Rs. 329.91 crores and excluding interest not presently quantified) by the Commissioner of Central Excise, Pune. The Company has filed an appeal against the said orders. Our conclusion is not qualified in respect of this matter.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/ E300003

per Pradev Khandelwal
Partner

Membership No.: 501160

Place: Pune

Date: February 8, 2019



Limited Review Report

**Review Report to
The Board of Directors
Thermax Limited**

1. We have reviewed the accompanying statement of unaudited consolidated Ind AS financial results of Thermax Group comprising Thermax Limited (the 'Company') and its subsidiaries (together referred to as 'the Group') and joint venture, for the quarter ended December 31, 2018 and year to date from April 1, 2018 to December 31, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of subsidiaries and the joint venture, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with recognition and measurement principles laid down in the applicable Ind AS specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 5 of the Statement relating to the demand orders on the Company for Rs. 1,381.55 crores (including penalty of Rs. 329.91 crores and excluding interest not presently quantified) by the Commissioner of Central Excise, Pune. The Company has filed an appeal against the said orders. Our conclusion is not qualified in respect of this matter.



S R B C & CO LLP

Chartered Accountants

6. We did not review the Ind AS financial results and other financial information, in respect of 13 subsidiaries, a branch of a subsidiary and various trusts (73 nos.), whose Ind AS financial results include total revenues of Rs 176.06 crores and Rs 584.63 crores for the quarter and the nine months period ended December 31, 2018 respectively. These Ind AS financial results and other financial information have been reviewed by other auditors, which financial results, other financial information and auditors' reports have been furnished to us by the management. The consolidated Ind AS financial results also include the Group's share of net profit of Rs. Nil and Rs 0.10 crores for the quarter and the nine months period ended December 31, 2018 respectively, in respect of 1 joint venture, whose financial results, other financial information have been reviewed by other auditors and these financial results, other financial information and auditor's report have been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of such subsidiaries, branch of a subsidiary, joint venture and various trusts is based solely on the report of other auditors. Our conclusion is not modified in respect of this matter.
7. We did not review the financial information, in respect of 11 subsidiaries, whose Ind AS financial results include total revenues of Rs 8.28 crores and Rs 22.59 crores for the quarter and the nine months period ended December 31, 2018 respectively. The Ind AS financial information have not been reviewed by their auditors. The consolidated Ind AS financial results also include the Group's share of net loss of Rs. 0.69 crores and Rs 0.82 crores for the quarter and the nine months period ended December 31, 2018 respectively, in respect of 1 joint venture, whose financial information has not been reviewed by its auditors. Our conclusion, in so far as it relates to the affairs of such subsidiaries and joint venture is based solely on the management certified accounts of those entities. According to the information and explanations given to us by the management, the financial information is not material to the Group. Our conclusion is not modified in respect of this matter.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per **Tridev Lal Khandelwal**
Partner

Membership No.: 501160



Place: Pune

Date: February 8, 2019



Press Release

Thermax revenues 29% higher in Q3

Pune: February 8, 2019

For the third quarter of current FY 2018-19, Thermax Group posted consolidated operating revenues of Rs. 1,437 crore, up 28.6% as compared to Rs. 1,117 crore in the corresponding quarter, last year, riding on a strong order carry forward. Group profit after tax at Rs. 75 crore (Rs. 58 crore), up 29%.

The profit considers Rs. 88 crore of exceptional item, pertaining to the impairment of goodwill related to the stepdown subsidiary, Thermax Denmark ApS and recognition of deferred tax assets of Rs. 94 crore relating to brought forward losses of its subsidiary, Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES).

As on December 31, 2018, Thermax Group had an order balance of Rs. 6,475 crore (Rs. 5,556 crore) up 16.5%. Order booking for the quarter, at the consolidated level, was marginally up at Rs. 1,480 crore (Rs. 1,413 crore) due to ongoing sluggishness in new investments in several sectors of the economy.

Subsequent to the acquisition of the remaining shares in TBWES on July 19, 2018, the Board of Directors today have approved the transfer of Boiler & Heater (B&H) business of Thermax Limited to TBWES through slump sale, subject to the approval of shareholders. Consequently, the results of B&H business have been classified as discontinued operations in the standalone financial statements. However, this will not impact the consolidated group accounts.

For the continued operations, on a standalone basis, Thermax Limited posted an operating revenue of Rs. 847 crore for the quarter, compared to Rs. 658 crore in the corresponding quarter of the previous year. Profit after tax for the quarter was Rs. 26 crore, down 43.5% from last year's Rs. 46 crore. The standalone revenue of Thermax Limited, including discontinued operations, stood at Rs. 1,248 crore as compared to 981 crore and net profit after tax stood at Rs. 48 crore as compared to 63 crore in the same quarter last year.

The standalone profit of Thermax Limited for the current year is after considering exceptional items comprising impairment of investment of Rs. 126 crore in Thermax Netherlands B.V., Rs. 13 crore in First Energy Private Limited (FEPL) and an impairment reversal of Rs. 112 Crore in TBWES, resulting in a net impact of Rs. 27 crore on profits for the current period.

Thermax's facility at Sri City for manufacturing absorption chillers was formally inaugurated on January 31, 2019 and has commenced commercial production.

About Thermax Limited: Thermax Limited, a leading energy and environment solutions provider is one of the few companies in the world that offers integrated innovative solutions in the areas of heating, cooling, power, water and waste management, air pollution control and chemicals. Thermax has manufacturing facilities in India, China, Europe and South East Asia. The sustainable solutions Thermax develops for client companies are environment-friendly and enable efficient deployment of energy and water resources.

For more information visit www.thermaxglobal.com

