



THERMAX LIMITED

Registered Office: D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune 411 019

Corporate Office: Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune 411 003

Corporate Identity No. (CIN) - L29299PN1980PLC022787

NOTICE

NOTICE is hereby given that the Thirty-fourth Annual General Meeting of THERMAX LIMITED ('the Company') will be held on Tuesday, July 28, 2015 at 11.30 a.m. at Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan Complex, Baner Road, Pune - 411 007, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt :
 - a) the audited financial statements of the Company for the financial year ended on March 31, 2015 together with the reports of the Auditors and Board of Directors thereon; and
 - b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To declare dividend on equity shares for the financial year ended on March 31, 2015.
3. To appoint a Director in place of Mr. Pheroze Pudumjee (DIN-00019602), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. B.K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W), be and are hereby appointed as Statutory Auditors of the Company for a period commencing from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Audit Committee of the Board of Directors."
5. To consider and if thought fit, pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions

of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. SRBC & Co LLP, Chartered Accountants (Firm Registration No. 324982E) be and are hereby appointed as Joint Statutory Auditors of the Company for a period of five years commencing from the Thirty-fourth Annual General Meeting (AGM) until the conclusion of the Thirty-ninth AGM, subject to ratification by the members every year at such terms & conditions including remuneration to be determined by the Audit Committee of the Board of Directors".

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration of Rs. 7,50,000 (Rupees seven lakh fifty thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses.

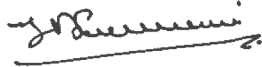
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary or incidental to give effect to this resolution."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made thereunder,

the enabling provisions of the Articles of Association of the Company, the draft regulations contained in the Articles of Association, be and is hereby approved and adopted in substitution, to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deed and things as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors



Gajanan P. Kulkarni
Vice President-Legal &
Company Secretary

Place: Pune

Dated: May 26, 2015

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A form of proxy is enclosed, which, in order to be effective, must reach the Corporate Office of the Company at least forty-eight hours before the meeting i.e. by 11.30 a.m. on July 26, 2015.

A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ('the Act') in respect of the special business, is annexed hereto.
3. Corporate Members are requested to send a duly certified copy of Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorising their representatives to attend and vote at the Annual General Meeting.

4. E-Voting (Voting through Electronic means):

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35 B of the Listing Agreement, the

Company is pleased to offer e-voting facility as an alternative mode of voting which will enable all the Members to cast their votes electronically on the resolutions mentioned in the Notice of the 34th Annual General Meeting (AGM) of the Company. Necessary arrangements have been made by the Company with Karvy Computershare Pvt. Ltd. ('Karvy'), to facilitate e-voting. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by e-voting, shall be able to exercise their rights at the AGM through ballot paper. The Company has appointed Mr. S.V. Deulkar, Partner of M/s. SVD & Associates, Company Secretaries, Pune as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

E-voting is optional and e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on July 18, 2015. The e-voting period commences on Friday, July 24, 2015 (9.00 a.m.) and ends on Monday, July 27, 2015 (5.00 p.m.). The voting module shall be disabled by Karvy for voting thereafter.

The instructions and process for e-voting are as under:

A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii) Enter the login credentials (i.e. User ID and Password) as provided in a separate e-voting communication, being sent along with the Notice of AGM and Annual Report. Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii) After entering these details appropriately, click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password

and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Thermax Limited.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on July 18, 2015 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii) **Corporate / Institutional Members** (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorised to vote, to the Scrutinizer at e-mail ID: deulkarcs@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN NO". The documents should reach to the Scrutinizer on / before Monday, July 27, 2015 at 5.00 p.m.

B) In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:

- (a) **User ID and initial Password** as provided in a separate e-voting communication, being sent along with the Notice of AGM and Annual Report.
- (b) Please follow all steps from Sr. No. i) to xii) as mentioned in (A) above, to cast your vote.
- C)** Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the AGM.
- D)** In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com> or contact Karvy's Tel. No. at 1800 345 4001 (toll free).
- E)** The Scrutinizer shall, after scrutinizing the votes cast at the AGM and through e-voting, make a Consolidated Scrutinizer's Report and submit the same to the Chairperson of the Company, not later than three (3) days of conclusion of the AGM.
- F)** The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website (www.thermaxglobal.com) and on the website of Karvy. The results shall simultaneously be communicated to the BSE Limited and National Stock Exchange of India Limited.
- G)** A copy of this notice has been placed on the websites of the Company and Karvy.

5. Book Closure & Dividend:

- (a) The Register of Members and Transfer Books of the Company will be closed from Monday, July 20, 2015 to Tuesday, July 28, 2015 (both days inclusive).
- (b) Dividend on equity shares, if declared at the AGM, will be paid to those Members whose names appear in the Register of Members on July 28, 2015. In respect of dematerialised shares, the dividend will be paid based on the beneficial ownership as per the details furnished by the depositories for this purpose at the end of business hours on July 18, 2015.

6. National Electronic Clearing Service (NECS):

The Company has provided facility to the Members for receiving dividend through Electronic Clearing System

(ECS) to avoid loss in transit/fraudulent interception & encashment/undue delay in receipt of the dividend warrant. The ECS facility is available at locations approved by Reserve Bank of India from time to time and covers most of the cities and towns.

➤ Members holding shares in physical form and wish to avail this facility are requested to send their details in the ECS mandate form. The ECS mandate form may be collected from the Company's Corporate Office or its Registrar & Transfer Agent (RTA) or may be downloaded from the Company's website (www.thermaxglobal.com). The ECS mandate form submitted earlier shall be valid for the recommended dividend.

➤ Members holding shares in dematerialised (electronic) form are requested to note that bank details registered against their respective depository accounts would be used by the Company for payment of dividend. The Company or its RTA cannot act on any instruction / request directly from Members pertaining to their bank account details, ECS mandates, nominations, power of attorney, change of address/name, etc. All changes should be advised to your Depository Participant (DP) only, which would be downloaded and updated in the Company's records for disbursement of dividend.

7. Members/Proxies are requested to bring the Attendance Slip, duly completed, for attending the meeting. Signatures on the attendance slip should match the specimen signature(s) registered with the Company. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID details for identification.

8. Unclaimed Dividend:

Dividend declared by the Company on July 22, 2008 for the financial year 2007-08 which remained unclaimed, is due for transfer to the Investor Education and Protection Fund (the IEPF), on August 27, 2015, pursuant to the provisions of Section 205A (5) of the Companies Act, 1956. Members who have not encashed their dividend warrants pertaining to the year 2006-2007 (final) and/or any subsequent years that still remains outstanding, are requested to lodge their claims with Karvy Computershare Pvt. Ltd., the Company's RTA, for obtaining payments thereof.

Members are advised that in terms of Section 205C of the Companies Act, 1956, no claim shall lie with

respect to unclaimed dividend after it is transferred to the IEPF. **The company has already transferred the unclaimed dividend, declared for the financial year 2006-2007 (final) to the IEPF.**

Sections 205A and 205C of the Companies Act, 1956 are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified.

9. Email Address:

In order to communicate the important and relevant information and events to the members in a cost efficient manner, including quarterly results, members are encouraged to register their e-mail addresses with the RTA in case of shares held in physical form and with their respective DP in case of dematerialised holdings.

10. Queries related to financial statements:

Members are requested to write to the company their queries, if any, on the financial statements, at least 10 days before the meeting to enable the management to keep the required information available.

11. The audited financial statements and consolidated financial statements for the financial year ended March 31, 2015 can also be viewed on the company's website (www.thermaxglobal.com).

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to Clause 49(VIII) (E) of the Listing Agreement]

Pheroze Pudemjee

Pheroze Pudemjee, 53, is a Director of the Company since January 15, 2001. He facilitates the Company's international initiatives including the incubation and development of new business and relevant organizational changes.

Earlier, Mr. Pudemjee was Executive Director of Thermax's International Division till 2001. He also managed Thermax's overseas venture in UK.

Mr. Pudemjee is a member of the Western Region Council of the Confederation of Indian Industries (CII). He had been the Chairman of CII, Pune and was also a member of its National Committee on Exports. He also served as a member on the Maharashtra Chamber of Commerce's International Panel.

Mr. Pudemjee has a Masters degree in Business Administration and a Diploma in Automobile Technology from Stanford University, USA.

Mr. Pudumjee is a Chairman/Member of the following Board appointed committees of the Company:

Committee	Chairmanship/Membership
Audit Committee	Member
Borrowing & Investments Committee	Member
International Investment Committee	Chairman
Stakeholders' Relationship Committee	Chairman
Strategic Business Development Committee	Member

Mr. Pheroz Pudumjee holds directorship of the following companies:

- RDA Holdings Pvt. Ltd.
- KRA Holdings Pvt. Ltd.
- ARA Trusteeship Company Pvt. Ltd.
- Thermax SPX Energy Technologies Ltd.
- Pune City Connect Development Foundation
- Thermax Hong Kong Ltd., Hong Kong

Mr. Pudumjee does not hold any shares of the Company.

By Order of the Board of Directors



Gajanan P. Kulkarni
Vice President-Legal &
Company Secretary

Place: Pune

Dated: May 26, 2015

EXPLANATORY STATEMENT

[Pursuant to Section 102(1) of the Companies Act, 2013]

Item No. 5

The Explanatory Statement is being given by way of an additional information even though not required under the Companies Act, 2013 ('the Act').

The provisions of the Act are effective from April 1, 2014. Section 139 of the Companies Act, 2013 and the Rules made thereunder, provide for the appointment and rotation of auditors. As per this section, a company can appoint a firm as auditors for maximum two terms of five consecutive years each. An audit firm which has completed its term of 10 consecutive years shall not be eligible for re-appointment as auditors in the same company for 5 years from the completion of such term. For the purpose of calculating period of 10

consecutive years, the period for which the auditor firm has held office prior to the commencement of the Act (i.e. April 1, 2014), shall be taken into consideration. However, a transition period of 3 years from the commencement of the Act has been prescribed to comply with the provisions of rotation of auditors.

M/s. B.K. Khare & Co. have been the auditors of the Company for more than 10 years and are liable for rotation within the above said transition period. Their first term of auditors for financial year 2014-15 was approved by the members at the Annual General Meeting (AGM) held on July 22, 2014 which is upto conclusion of the forthcoming AGM. Their second term as auditors of the Company for the financial year 2015-16, is also recommended for approval of the members as per Item No. 4 of this notice. In view of this, the Company felt it prudent to introduce new auditors who will be the joint auditors till the expiry of term of the existing auditors and subsequently they shall be the auditors of the Company.

As per the requirement of the Act, SRBC & Co LLP, Chartered Accountants have confirmed that the appointment, if made, would be within the limits specified under the Act and they are not disqualified to be appointed as joint statutory auditors in terms of the applicable provisions of the Act and relevant Rules made thereunder. Their appointment has been proposed for a period of five years commencing from the Thirty-fourth Annual General Meeting (AGM) until the conclusion of the Thirty-ninth AGM subject to the annual ratification by the Members.

Your Directors recommend the resolution for your approval.

No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item No. 6

M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune have been appointed as the Cost Auditors of the Company for the financial year 2015-16 by the Board of Directors at its meeting held on May 26, 2015. Their appointment has been made on remuneration of Rs. 7,50,000 (Rupees seven lakh fifty thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses. They were also the Cost Auditors of the Company for financial year 2014-15.

In terms of provisions of Section 148(3) of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be approved by the shareholders of the Company.

Your Directors recommend the resolution for your approval.

No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item No. 7

The existing Articles of Association of the Company, are in accordance with the provisions of the Companies Act, 1956. With the enactment of the Companies Act, 2013, most of the regulations contained in the Articles of Association of your Company have either become redundant or are not in tune with the provisions of the said Act. In view of this, it is proposed to replace the existing set of Articles of Association with a new set of Articles containing regulations in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

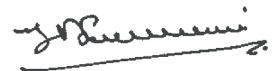
The draft articles are available for inspection by the members at the Corporate Office of the Company (at 11.00 a.m. to 1.00 p.m), on all working days (except Saturdays, Sundays and Public Holidays) till the date of AGM.

Pursuant to the provisions of Section 14 of the Companies Act, 2013 read with The Companies (Incorporation) Rules, 2014, any alteration to the Articles of Association of the Company requires prior approval of shareholders by way of a special resolution.

Your Directors recommend the resolution for your approval.

No Director, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

By Order of the Board of Directors



Gajanan P. Kulkarni
Vice President-Legal &
Company Secretary

Place: Pune
Dated: May 26, 2015



THERMAX

ATTENDANCE SLIP

THERMAX LIMITED**Registered Office: D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune 411 019****Corporate Office: Thermax House, 14, Mumbai-Pune Road, Wakdevadi, Pune 411 003**

Corporate Identity No. (CIN) – L29299PN1980PLC022787

34TH ANNUAL GENERAL MEETING - TUESDAY, JULY 28, 2015

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE

DP ID*	
Client ID*	
Regd. Folio No.	

NAME & ADDRESS OF THE REGISTERED SHAREHOLDER

* Applicable for shareholding in electronic form.

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company.

I hereby record my presence at the 34th Annual General Meeting of the Company held on Tuesday, July 28, 2015.

SIGNATURE OF THE MEMBER/PROXY

NOTE: Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting.**FORM OF PROXY****THERMAX LIMITED****Registered Office: D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune 411 019****Corporate Office: Thermax House, 14, Mumbai-Pune Road, Wakdevadi, Pune 411 003**

Corporate Identity No. (CIN) – L29299PN1980PLC022787

34TH ANNUAL GENERAL MEETING

I/We of being a member/members of THERMAX LIMITED, hereby appoint of or failing him/her of as my/our Proxy to vote for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on Tuesday, July 28, 2015 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Audited Financial Statements, Reports of Auditors and Board of Directors for the year ended March 31, 2015 and Audited Consolidated Financial Statements for the year ended March 31, 2015.
2. Declaration of Dividend for the financial year 2014-15.
3. Re-appointment of Mr. Pheroze Pudumjee as a Director of the Company.
4. Appointment of Statutory Auditors.
5. Appointment of Joint Statutory Auditors.
6. Approval of remuneration to the Cost Auditors for the financial year 2015-16.
7. Alteration to the Articles of Association of the Company.

AS WITNESS my/our hand(s) thisday of July, 2015.

Affix
Revenue
Stamp

Signature of the Member

Regd. Folio No.

DP ID* Client ID*

* Applicable for shareholding in electronic form.

NOTE: 1. The Proxy need not be a Member.

2. The Proxy Form must be submitted so as to reach the Corporate Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.

Mumbai - Pune Express Highway

Hotel Sadanand

Green Park Garden

Abhimanshree Society Road

Abhimanshree Society

BANER ROAD

National Insurance Academy

Hotel Mahableshwar

ITI Road

National Society

Sindh Society

Sakal Nagar

AGM VENUE-YASHADA

A	D	M	I	N
M	D	C		

Pune University

Aundh Road

Pashan Road

From Shivajinagar



34TH
ANNUAL
REPORT
2014-2015

THERMAX LIMITED



About the cover

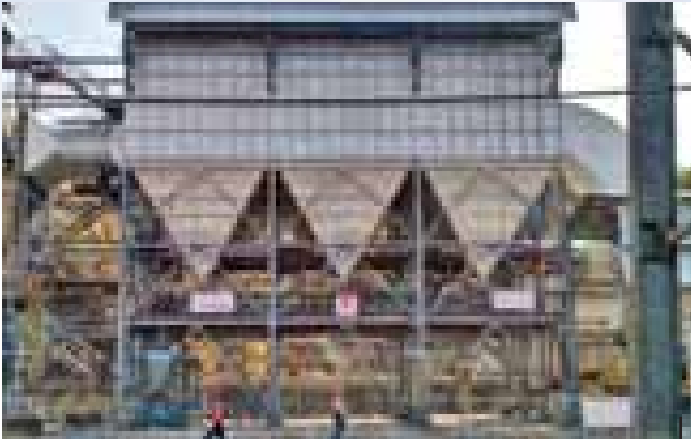
A time comes when we move out of the comfort of familiar terrain and set out for an unknown shore. On this voyage, in our quest for the new, we brave headwinds and sail into other time zones.

Once we get over the unease with the unfamiliar, within those expanded frontiers, we could find the promise of renewal and a revival of fortunes.

CONTENTS

Financials at a Glance	08
.....	
Chairperson's Message	10
.....	
Letter from the Managing Director	12
.....	
Directors' Report	16
.....	
Management Discussion and Analysis	48
.....	
CSR Report	62
.....	
Corporate Governance Report	66
.....	
Auditors' Report	90
.....	
Stand-alone Financial Statements	94
.....	
Consolidated Financial Statements	127
.....	
Summarised Financial Statement of Subsidiaries	159
.....	

Highlights of the Year



- In a subdued industrial environment, Thermax posted higher revenues of Rs. 4,808 crore and a profit after tax of Rs. 336 crore.
- Bagged repeat orders worth Rs. 672 crore from a leading African industrial conglomerate for captive power projects.
- During the year, several new products were introduced – including Heat Transformer, a system for energy efficiency; BioCask, a compact sewage treatment plant for commercial complexes; Solar boiler that can be seamlessly integrated with other operating boilers.
- The Chinese subsidiary, Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd. became profitable during the period ended March 31, 2015 – a milestone since its inception seven years ago.

- Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd., the joint venture company received two orders from Babcock & Wilcox to supply boilers for international projects. They will be manufactured at the JV's plant at Shirwal, Maharashtra.
- Thermax installed a fume extraction system of 2,40,000 m³ / hour capacity for hot metal pooling at a steel company in Eastern India.
- Thermeon, the multi-fuel boiler introduced in the 300 – 1500 kg range for small and medium industries gains customers in the road shows organised across India.
- O&M group for power plants spreads its wings to South East Asia and Africa.



Our Vision

To be a globally respected high performance organisation offering sustainable solutions in energy and environment

Board of Directors

Meher Pudumjee
Chairperson

M.S. Unnikrishnan
Managing Director & CEO

Anu Aga

Dr. Raghunath A. Mashelkar

Dr. Valentin A.H. von Massow

Nawshir Mirza

Pheroz Pudumjee

Dr. Jairam Varadaraj

Executive Council

Ravinder Advani

K. Chakravarthy

Sharad Gangal

Pravin Karve

B.C. Mahesh

Hemant Mohgaonkar

Amitabha Mukhopadhyay

Rajan Nair

R. V. Ramani

Dr. R. R. Sonde

M. S. Unnikrishnan

Key Managerial Personnel

M.S. Unnikrishnan
Managing Director & CEO

Amitabha Mukhopadhyay
Group CFO & Member Executive Council

Gajanan P. Kulkarni
Vice President - Legal & Company Secretary

WHOLLY OWNED SUBSIDIARIES

Domestic

1. Thermax Sustainable Energy Solutions Limited
2. Thermax Engineering Construction Company Limited
3. Thermax Instrumentation Limited
4. Thermax Onsite Energy Solutions Limited

Overseas

1. Thermax International Limited, Mauritius
2. Thermax Europe Limited, UK.
3. Thermax Inc., USA.
4. Thermax do Brasil Energia e Equipamentos Ltda, Brazil
5. Thermax Hong Kong Limited, Hong Kong
6. Thermax (Zhejiang) Cooling & Heating Engineering Co. Limited, China
7. Thermax Netherlands B. V.
8. Thermax Denmark ApS
9. Danstoker A/S, Denmark
10. Ejendomsanpartsselskabet Industrivej Nord 13, Denmark
11. Rifox-Hans Richter GmbH, Germany
12. Thermax Sdn. Bhd., Malaysia
13. Boilerworks A/S, Denmark
14. Boilerworks Properties ApS, Denmark
15. Thermax Engineering Singapore Pte. Limited
16. Thermax Senegal S. A. R. L.
17. PT Thermax International, Indonesia

Joint Ventures

1. Thermax SPX Energy Technologies Limited
2. Thermax Babcock & Wilcox Energy Solutions Private Limited

Website : www.thermaxglobal.com

Registered Office

D-13, M.I.D.C. Industrial Area,
R. D. Aga Road, Chinchwad,
Pune 411019
Ph.: 020-66122100/ 27475941
Fax.: 020-27472049

Corporate Identity Number-
L29299PN1980PLC022787

Corporate Office

Thermax House
14, Mumbai-Pune Road,
Wakdewadi, Pune 411003
Ph.: 020-66051200/ 25542122
Fax.: 020-25541226

Bankers

Union Bank of India
Bank of Baroda
Canara Bank
Citibank N.A.
Corporation Bank
ICICI Bank Ltd.
State Bank of India
HSBC

Auditors

B.K. Khare & Co.,
Chartered Accountants
706/707, Sharda Chambers,
New Marine Lines,
Mumbai 400020

REGISTRAR & SHARE TRANSFER AGENT

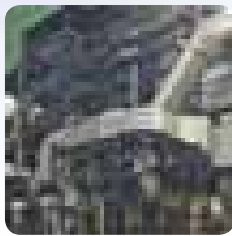
Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B,
Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032
Tel: +91 040-67161500/ 33211000
Fax: 040 – 23001153/ 23420814
Toll free: 1800 345 4001

E-mail: einward.ris@karvy.com
Website: www.karvy.com

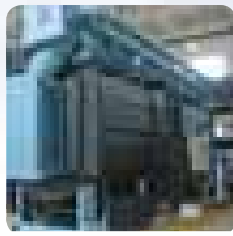
Energy – Environment Offerings



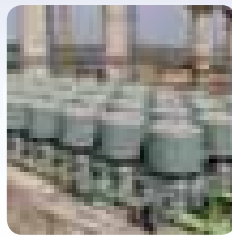
Power



Heating



Cooling



Water

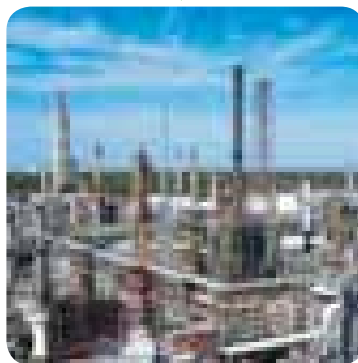


Chemicals

Utilities



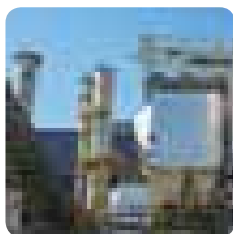
Raw
material



Desired
products



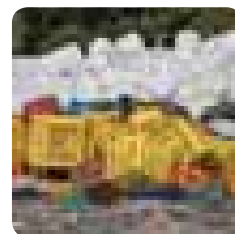
Waste



Air pollution
control

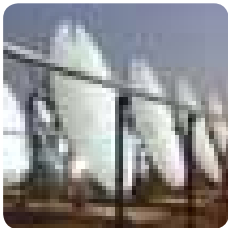
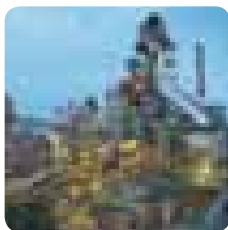
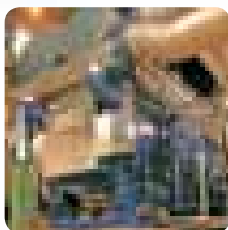


Wastewater
treatment



Hazardous
waste treatment

Our Core Business



Energy sector

Heating

Large boilers & Fired heaters

- Solid Fuel, agro waste, biomass fired boilers up to 1000 TPH
- Waste to Energy boilers up to 500TPH
- Oil & gas fired boilers up to 500 TPH

Steam boilers

Thermal oil heaters and vapourisers

Hot water generators

Hot air generators

High pressure boilers

Heat recovery systems

Energy plants

Solar thermal

Cooling

Steam fired

Hot water fired

Direct fired

Multi energy

Heat pumps

Hybrid chillers

Chiller heater

Solar chiller

Renewable energy

Solar thermal hybrid systems for cooling and heating

Solar concentrators

Solar photovoltaic systems

Power generation

Turnkey power plants of single unit up to 300 MW

Complete BOP for power plants up to 1200 MW

Turnkey solutions for gas fired power plants

Waste heat recovery based power in cement, iron & steel industries

Integrated sustainable solutions for green power

Environment sector

Air pollution control

Electrostatic precipitators

Bagfilters

Particulate scrubbers

Gaseous scrubbers

Combfilter

Thermax modular gas cooler

Chemicals

Ion Exchange resins

Water & fuel treatment chemicals

Oil field chemicals

Paper & pulp chemicals

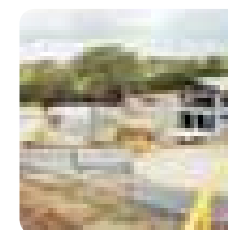
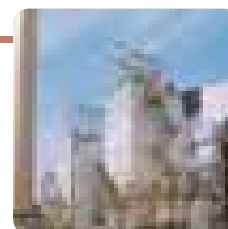
Construction chemicals

Water and waste water treatment

Water treatment solutions

Wastewater treatment solutions

Standard plants/ products



Reliable Support for Industry

Our business-to-business solutions help a broad range of industries to be energy efficient and eco-friendly:

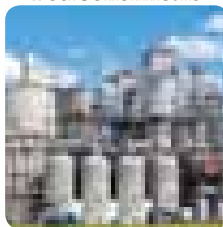
Cement



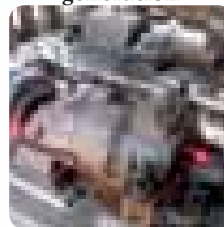
Chemicals



Refineries & Petrochemicals



Power generation



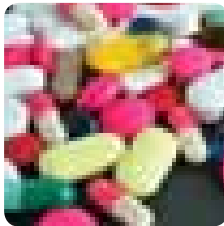
Textile



Hotels & commercial complexes



Pharma



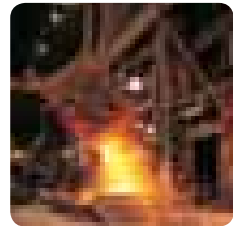
Paper & Pulp



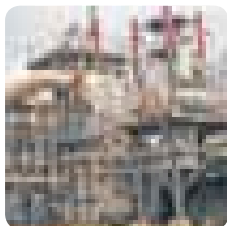
Oil & Gas



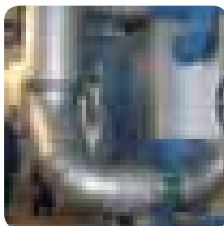
Steel



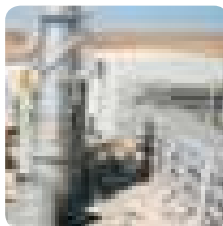
Tank farm heating



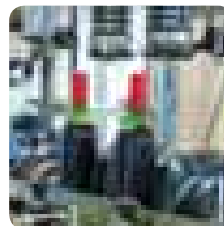
Space heating



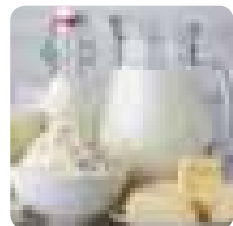
EPC Majors & Consultants



Distilleries



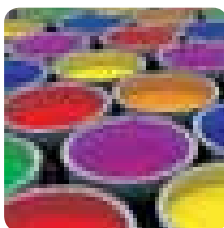
Food



Sugar



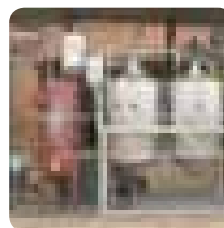
Paint



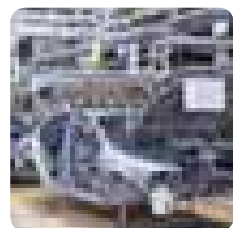
Rubber



Edible oil



Automobile



Board of Directors



Meher Pudumjee



M. S. Unnikrishnan



Anu Aga



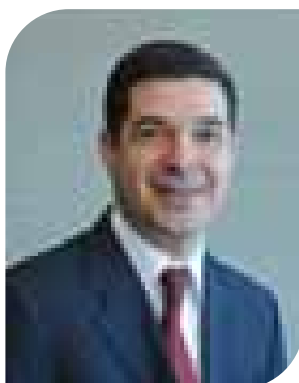
Dr. Raghunath Mashelkar



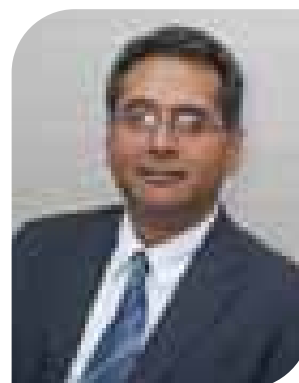
Dr. Valentin A. H. von Massow



Nawshir Mirza



Pheroze Pudumjee



Dr. Jairam Varadaraj

THERMAX LIMITED – FINANCIALS AT A GLANCE

Rs. crore

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Domestic Sales (excluding excise duty)	3554	3139	3648	4101	3722	2432	2299	2479	1735	1157
Export (Including Deemed Export)	1092	1101	984	1143	1066	656	912	678	402	308
% to Total Sales	24%	26%	21%	22%	22%	21%	28%	21%	19%	21%
Total Sales	4646	4240	4632	5244	4788	3088	3211	3157	2137	1465
% Growth	10%	(8%)	(3%)	10%	55%	(4%)	2%	48%	46%	60%
Other Income	162	126	132	131	147	147	92	89	73	33
Total Income	4808	4366	4764	5375	4935	3235	3303	3246	2210	1498
Total Expenses	4227	3892	4184	4720	4317	2801	2850	2795	1894	1289
Profit before Depreciation, Interest, Extra Ordinary Items and Tax	581	474	580	654	618	434	453	451	316	209
(% to Total Income)	12%	11%	12%	12%	13%	13%	14%	14%	14%	14%
Depreciation	64	58	55	47	43	40	32	22	19	15
Interest	20	9	10	7	2	2	3	1	1	1
Extra-ordinary Items of Expenses	0	0	0	0	0	115	(1)	(2)	5	0
Profit before Tax/Loss	497	407	516	601	573	277	419	430	291	193
(% to Total Income)	10%	9%	11%	11%	12%	9%	13%	13%	13%	13%
Tax	161	154	166	194	190	136	132	150	103	69
Profit after Tax/ Loss	336	253	350	407	382	141	287	281	188	123
(% to Total Income)	7%	6%	7%	8%	8%	4%	9%	9%	8%	8%
Gross Block	1039	1008	873	805	717	688	603	419	279	243
Net Block	648	664	645	574	516	505	458	326	170	138
Investments	1257	1096	804	553	404	378	176	580	578	417
Current Assets	3492	3534	2863	2913	2658	1664	1287	1009	929	533
Current Liabilities	2539	2655	2190	2324	2307	2044	1270	1164	1087	600
Net Current Assets	953	879	673	589	351	(381)	17	(155)	(158)	(67)
Capital Employed	2267	2026	1870	1601	1292	1051	962	736	579	478
Equity Share Capital	24	24	24	24	24	24	24	24	24	24
Reserves and Surplus	2243	2001	1845	1577	1269	1027	938	712	555	455
Networth	2266	2025	1869	1601	1292	1051	962	736	579	478
Loan Funds	1	1	0	0	0	0	0	0	0	0
Fixed Asset Turnover Ratio	7.16	6.39	7.18	9.14	9.27	6.12	7.02	9.68	12.60	10.64
Debt-Equity Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Ratio	1.38	1.33	1.31	1.25	1.15	0.81	1.01	0.87	0.85	0.89
Return on Capital Employed	23%	21%	28%	38%	44%	37%	44%	58%	51%	40%
Return on Net Worth	15%	12%	19%	25%	30%	13%	30%	38%	32%	26%
Cash Earnings per Share (Rs.) *	33.57	26.08	33.97	38.09	35.73	24.90	26.81	25.39	17.34	10.97
Earnings per Share (Rs.)*	28.19	21.23	29.37	34.15	32.09	21.51	24.11	23.56	15.76	9.69
Dividend(%)	350%	300%	350%	350%	450%	250%	250%	400%	300%	170%
Book Value per Share (Rs.) *	190	170	157	134	108	88	81	62	49	40

* During FY 2005-06, Equity Shares of face value Rs. 10/- each were sub-divided into face value Rs. 2/- each and accordingly the figures for 2005-06 have been restated.

Note : The Working Capital figures for FY 10-11, FY 11-12, FY 12-13, FY 13-14 and FY 14-15 are based on revised Schedule VI classification and hence are not strictly comparable with previous years' figures.

THERMAX GROUP – FINANCIALS AT A GLANCE

Rs. crore

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Domestic Sales (excluding excise duty)	3715	3271	3965	4457	3997	2556	2445	2718	1849	1214
Export	1624	1757	1468	1574	1250	720	959	715	441	393
% to Total Sales	30%	35%	27%	26%	24%	22%	28%	21%	19%	24%
Total Sales	5339	5028	5433	6031	5247	3276	3404	3433	2290	1606
% Growth	6%	-7%	-10%	15%	60%	-4%	-1%	50%	43%	29%
Other Income	177	143	143	143	148	146	97	93	73	34
Total Income	5516	5171	5577	6174	5395	3422	3501	3525	2363	1640
Total Expenses	4932	4663	5002	5501	4763	2975	3038	3055	2038	1449
Profit before Depreciation, Interest, Extra Ordinary Items and Tax	584	508	575	675	632	447	463	471	325	190
(% to Total Income)	11%	10%	10%	11%	12%	13%	13%	13%	14%	12%
Depreciation	134	92	77	66	54	44	35	23	19	16
Interest	82	27	17	12	4	2	4	2	2	2
Extra-ordinary Items of Expenses	0	0	0	0	0	115	-1	-2	5	0
Exceptional Items of Expenses	49	0								
Profit before Tax/Loss	319	389	481	596	573	286	425	448	298	173
(% to Total Income)	6%	8%	9%	10%	11%	8%	12%	13%	13%	11%
Tax	171	170	177	204	196	142	136	157	105	70
Profit after Tax/ Loss before Minority	148	220	304	392	377	144	289	291	194	103
Minority Interest	(62)	(26)	(16)	(11)	(5)	(0)	0	0	0	0
Profit after Tax/ Loss after Minority	210	246	320	404	382	144	289	291	194	103
(% to Total Income)	4%	5%	6%	7%	7%	4%	8%	8%	8%	6%
Gross Block	2051	2044	1296	1193	1068	742	661	433	292	253
Net Block	1474	1580	1390	1091	821	548	509	349	179	144
Investments	822	708	443	240	230	370	143	560	574	397
Current Assets	4044	4125	3287	3406	3065	1832	1402	1119	1024	590
Current Liabilities	3036	2999	2509	2758	2563	2239	1372	1259	1178	655
Net Current Assets	1008	1126	778	648	502	-407	30	-140	-154	-66
Deferred Revenue Expenses	0	0	0	0	0	0	0	4	0	0
Capital Employed	2719	2695	2362	1828	1452	1096	995	756	592	462
Equity Share Capital	24	24	24	24	24	24	24	24	24	24
Reserves and Surplus	2123	2014	1845	1605	1291	1054	967	736	566	431
Networth	2147	2038	1869	1629	1315	1078	991	756	590	455
Minority Interest	78	140	110	112	52	9	0	0	0	0
Loan Funds	494	517	383	88	85	8	4	0	2	7

Fixed Asset Turnover Ratio	3.62	3.18	3.91	5.53	6.39	5.98	6.69	9.85	12.80	11.16
Working Capital Turnover Ratio	5.30	4.47	6.99	9.30	10.46	0.00	113.89	0.00	0.00	0.00
Debt-Equity Ratio	0.23	0.25	0.21	0.05	0.06	0.01	0.00	0.00	0.00	0.02
Current Ratio	1.33	1.38	1.31	1.24	1.20	0.82	1.02	0.89	0.87	0.90
Return on Capital Employed	15%	15%	21%	33%	40%	37%	43%	59%	52%	38%
Return on Net Worth	10%	12%	17%	25%	29%	13%	29%	38%	33%	23%
Cash Earnings per Share (Rs.) **	28.86	28.38	33.33	39.42	36.57	15.82	27.20	26.34	17.89	9.30
Earnings per Share (Rs.) **	17.60	20.64	26.87	33.86	32.03	12.11	24.25	24.40	16.26	7.96
Dividend(%)	350%	300%	350%	350%	450%	250%	250%	400%	300%	170%
Book Value per Share (Rs.) **	180	171	157	137	110	90	83	63	49	38

** During FY 2005-06, Equity Shares of face value Rs. 10/- each were sub-divided into face value Rs. 2/- each and accordingly the figures for 2005-06 have been restated.

Note : The Working Capital figures for FY 10-11, FY 11-12, FY 12-13, FY 13-14 and FY 14-15 are based on revised Schedule VI classification and hence are not strictly comparable with previous years' figures.

CHAIRPERSON'S MESSAGE



Dear shareholder,

It is my privilege to present the 34th Annual Report of your company. We have had a year when market sentiments improved, but tangible change in the business environment remained elusive. In a year when the capital goods sector continued to be subdued, your company managed to increase its total revenue to Rs. 4,808 crore, up by 10%, thanks to a higher opening order book in the project business. What is heartening is that profit after tax increased by 33% to Rs. 336 crore, compared to Rs. 253 crore last year. However, due to the continued sluggish business environment, we opened FY 2015-16 with a lower order carry-forward of Rs. 4396 crore, 18% below the previous year.

I would like to thank our Managing Director & CEO, M. S. Unnikrishnan and all our employees for their tireless efforts. My sincere thanks and gratitude to all

our Board members for their continued guidance and support.

The world economy has been mired in uncertainty. The Ukraine conflict and sanctions against Russia have adversely affected growth of investment in the region and we have seen some negative impact on one of our European subsidiaries. The oil price decline coupled with geo-political tensions, is expected to dampen demand from the Middle East, in the short to medium term. Further, the depreciation of the euro has improved the competitiveness of European manufacturers which could intensify competition in select markets. South East Asian countries are among the few growing steadily and we will enhance our efforts to expand our presence in these markets.

The manufacturing sector notched a growth rate of 6.8% in the last fiscal, as compared to 5.3% the previous year as per the revised calculations. While growth has marginally improved, it is not enough to bring about a revival in manufacturing, which the country badly needs in order to move to the next level of development.

The core sectors of power, cement, steel, oil & gas continue to be subdued. In view of stagnant demand and existing idle capacity, there is no expansion taking place in these sectors, with resultant order flows to the capital goods sector remaining stagnant.

Last year, the fall in crude oil prices has been a major game changer. While it has helped rein in inflation, reduced the import bill and the subsidy budget, it also poses new challenges to the growing renewable energy sector, with increasing payback for our customers. However, our company will continue to prudently invest money in this sector, since it believes in its long term viability.

The downward movement of inflation and interest rates is expected to help increase demand and kickstart the economy, especially the infrastructure sector, by boosting investment and improving project viability.

The Government of India has expressed its commitment to enhance the manufacturing sector through its 'Make in India' campaign. While there are initiatives on multiple fronts – improving ease of doing business, skill and capacity building, facilitating investors willing to invest in India and promoting certain key industries like defense, electronics and so on – the change is likely to take its own time.

The auctioning of coal mines has been a positive development. It has brought in much needed clarity to the coal block allocation issue and also helped increase the coffers of the state governments. A similar resolution on the land acquisition issue is awaited. One can only hope for political consensus on this divisive subject, with the government finding a way to balance the rights of farmers with the interests of industry, so that we start moving ahead.

The power sector in India continues to languish with most of its problems still unresolved. Developments like the recent announcement of five UMPPs would start making an impact only when they reach the implementation stage. This stagnation in power has not helped the company's joint venture, TBWES. Currently thankfully, the JV is executing orders that it received from the parent companies.

The cyclical nature of the capital goods industry and heavy reliance on one country/geography are major risks that we have been trying to mitigate over the years. Our efforts at internationalisation have made headway, as nearly one-fourth of our revenue currently comes from international business. We will continue to promote our product businesses in select countries, in order to hedge our risks. The move has the dual advantage of increasing the share of products with less volatile demand profile, and at the same time, enhances our international business revenue.

Thermax Social Initiative Foundation (TSIF), the CSR arm of the company, has successfully completed eight

years of operation. TSIF, over the years, has focused on improving the quality of education in public schools. The partnership which began with one municipal Corporation (PMC) and one school in 2007, has now grown to two Municipal Corporations (PMC & PCMC) covering six schools, catering to over 2,100 students in Pune. TSIF is also one of the major supporters of 'Teach for India' and has decided to augment its support for the NGO's activities in Pune.

TSIF, in partnership with the Pune Municipal Corporation had launched a teacher training programme called 'Leadership Institute for Teachers' (LIFT) in 2013 for municipal school teachers. Since then, we have worked with over 130 teachers across 40 schools making an impact on nearly 5,200 children. While last year the programme focused only on primary English medium schools, in the coming year it is intended to cover around 100 teachers in both English and Marathi medium schools.

We began last year with a sense of hope, and while we continue to be optimistic over the long term, all available indices suggest that we need to accept the fact that revival is going to be a slower process than we would like it to be. While we are prepared to take advantage of any reversal in the capex cycle of the country, we are proactively exploring other avenues for growth.

In conclusion, I would like to thank all our employees, customers, vendors, business associates, our Board, shareholders and other well-wishers for their support and faith in Thermax.

With best wishes

Meher Pudumjee



LETTER FROM THE MANAGING DIRECTOR

Dear shareholder,

It was another year that delivered a mixed bag of satisfaction and dissatisfaction, frustration and a sense of accomplishment.

In a very challenging economic environment, where capital goods companies faced extreme challenges in managing their balance-sheets, your company had a year of moderate growth – both in revenues and profits. Our team excelled in containing costs, reducing waste through value-engineering and managing the process of manufacturing, supply-chain, project management and construction with diligence, bringing us back to double-digit profitability. Apart from retaining the balance-sheet's strength amidst the uncertainties, we improved our retained cash position, closed many project sites that extended beyond our original estimates and, at the company level, improved on-time delivery of products.

At the same time, despite our concerted efforts, the results on order intake have not been satisfactory. Even though market sentiment has visibly turned positive, after the new government took over, it has not translated into an accelerated economic recovery. There were no new capacity additions in steel, cement, fertiliser, oil & gas – the sectors that propel the order-book of our company. Most of the greenfield and brownfield investments were confined to the B-to-C segments, such as food processing, pharma, textiles, beverages, alcohol and FMCG. We were able to increase our market-share in these segments through new product introductions and enhanced market coverage.

International markets too were lethargic in capacity-addition owing to subdued commodity prices and a crash in crude oil prices. We also encountered aggressive competition from both European and Japanese companies, as the currency depreciations in those countries have enhanced their competitiveness. Still, we concluded several small and medium-sized captive power plant orders in Africa and South East Asia.

Our forays into newer technologies have also borne fruit – though lower in value, at this stage. The European Union has awarded a contract to Thermax for the conceptual design, manufacturing, installation



and commissioning of a 3 MW solar-biomass hybrid power plant for rural-electrification in Bihar. In view of the government's articulated plans for rural-electrification by deploying renewable technologies, we strongly believe that solar-biomass will eventually prove a viable alternative. Our fuel-cell development programme has also reached a selective commercialisation stage with a prestigious order from the Indian defence sector. Withdrawal of subsidy and market level pricing for light diesel oil has opened up a new market for small-capacity solid fuel-fired boilers. We have developed a new product named 'Thermeon' to cater to this segment and customer response has been very positive.

Our Chinese subsidiary, Thermax (Zhejiang) Cooling & Heating Engineering Company Ltd., turned the corner and became profitable for the period ended March 31, 2015. It has taken Herculean efforts of a dedicated team to make an Indian engineering brand in vapour absorption cooling successful in China, who are the current world-leaders in this green technology. We expect to grow this entity at an accelerated pace.

In our pursuit to expand the portfolio of products and technology in the steam-engineering services, we had

acquired Rifox three years ago, which is a small German specialist enterprise and had been a loss-making entity. I am happy to inform you that during the year we have succeeded in making this company profitable with the same management and operating team. Besides its own potential to grow in Europe, its product portfolio should also help our service business in other international markets.

Over the past four years, we have been able to aggressively grow the Danstoker Group acquired in FY 2010-11. However, our efforts to turn around its German subsidiary, Omnical, have not succeeded, even after infusing both intellectual and financial capital. Accepting the impossibility of making this entity profitable, which was also eroding the bottom line of Danstoker, the management, with the approval of the Board, took a prudent decision to transfer Omnical to administration as per German laws. All losses including goodwill were fully accounted for during this financial year itself. We are confident Danstoker will return to profitability in the forthcoming year itself and will grow profitably thereafter.

The Water and Waste Solutions business of the company ended the year with a negative bottom line. Most of the projects which had run into cost-overruns were completed during the year. We have also consciously kept away from direct participation in government/municipal tenders and have decided to focus on standard products and industrial projects in this business group. This business should turn around this year and grow as manufacturing revives in the domestic market.

Babcock & Wilcox Ltd., USA, our joint venture partner was demerged into two listed companies at the NY Stock Exchange. The Power Generation business has been spun off as a new public company, named Babcock & Wilcox Enterprises. It will retain the entire boiler portfolio apart from the construction, waste-to-energy, and services businesses. This focused entity will greatly help the business prospects of our JV, Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. (TBWES). During the year the American parent has entrusted the JV with the engineering and core pressure part manufacturing of (i) two 350 MW boilers for the Dominican Republic (ii) one 660 MW super-critical boiler for Vietnam. Additionally, the JV has also received an order for two biomass fired boilers from B&W Volund, Denmark. We are expecting

an improvement in order tendering and order conclusion by the central and state sectors in India where TBWES can participate and open its order book.

In order to spearhead our market access and growth plans of South East Asia, we have formed an investment company in Singapore through which our operating subsidiaries are being created in Indonesia, Malaysia, Thailand and the Philippines. We have already procured land in Indonesia to construct a regional manufacturing hub to cater to the ASEAN markets. This facility should be operational by the end of FY '17. In order to support the growing business of resins, we have procured land at Dahej in Gujarat, where an export-oriented manufacturing facility will be created and made operational in the next 20 months. With the strong four portfolios of (i) ion-exchange resins, (ii) performance chemicals (iii) paper chemicals and (iv) construction chemicals, we are gearing up to considerably grow our chemical business portfolio in the medium-term.

With a strong government at the Centre, and many progressive states committed to industrialisation, the domestic market would see growth in the next few years. The sectors where capacity utilisation crosses 90+ percentage will go ahead with brownfield and greenfield expansions. The government will certainly facilitate this through the promulgation of GST and other reforms. We are hopeful that political differences will not hinder job creation and development, which is the only way to alleviate poverty in our country.

In the meantime, we will continue to improve our existing product portfolio through value-engineering, create newer products through innovation, and improve our efficiency through operational excellence: making Thermax robust enough to be a leader in the country and a recognisable and respected player in the global market.

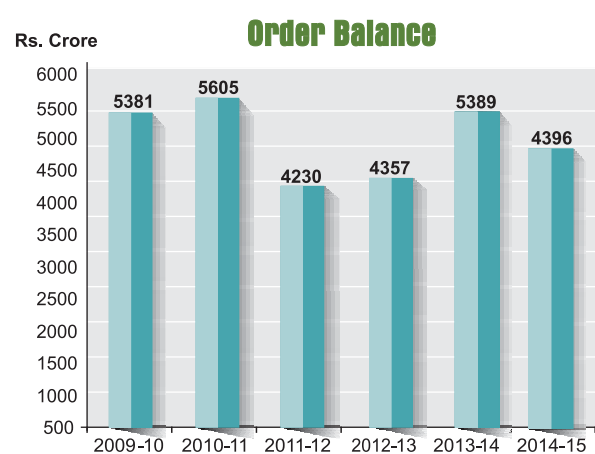
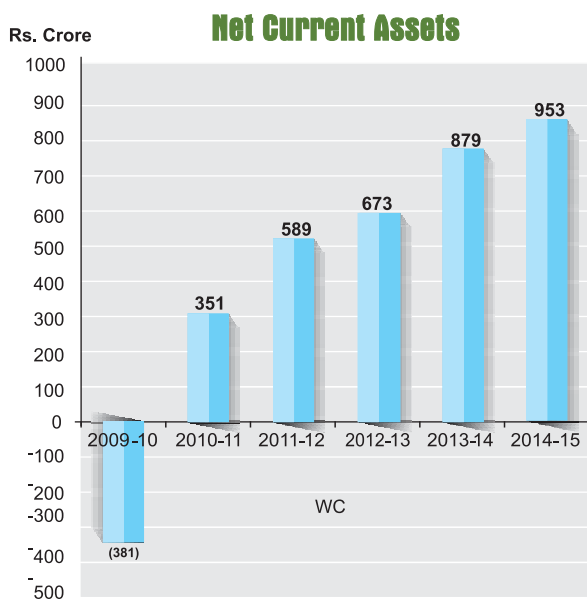
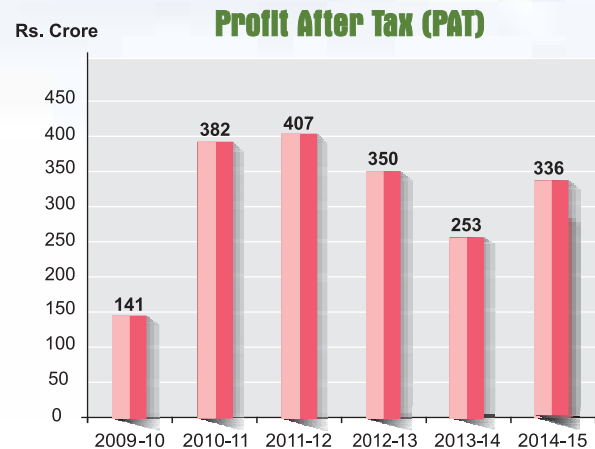
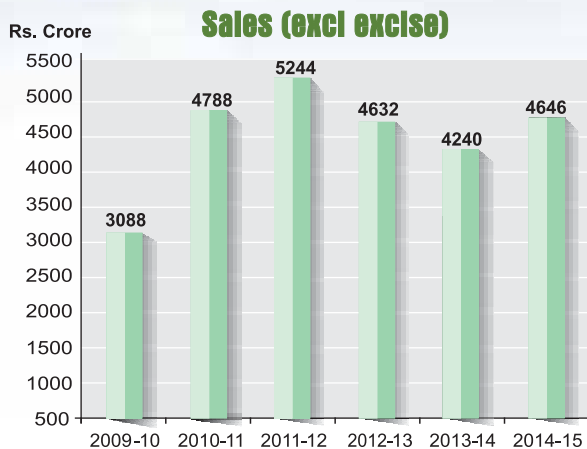
Looking forward to your continued support.

With best regards,

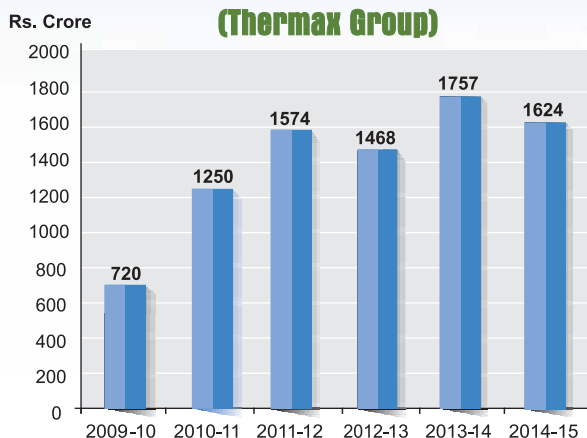
M. S. Unnikrishnan



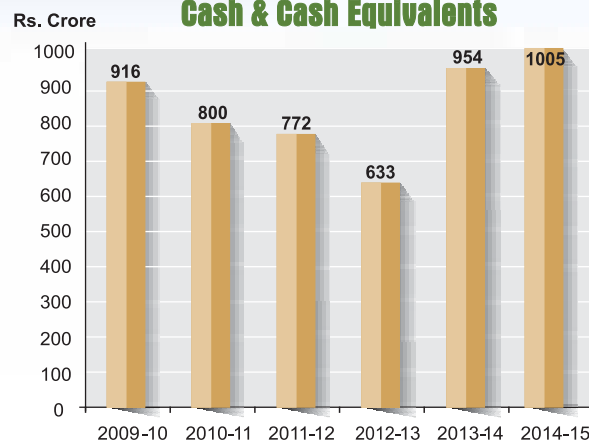
Key Financial Indices Thermax Limited



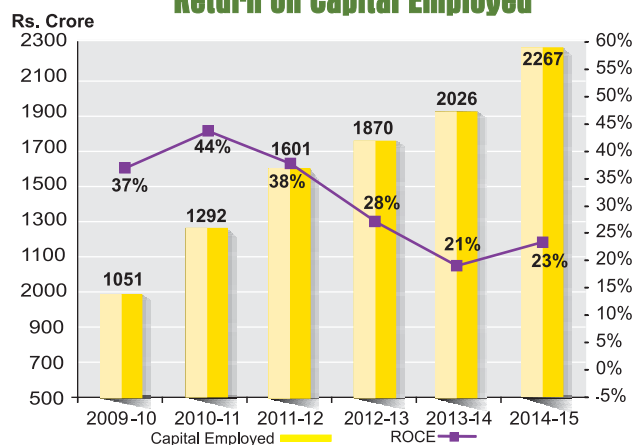
International Business (Thermax Group)



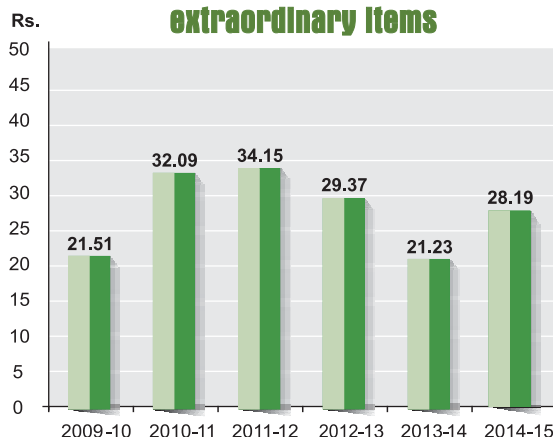
Cash & Cash Equivalents



Return on Capital Employed



Earnings Per Share before extraordinary items



DIRECTORS' REPORT



Dear shareholder,

Your directors have pleasure in presenting the Thirty-fourth Annual Report, together with the audited financial statements of your company for the year ended March 31, 2015.

Financial Results

	(Rupees in crore)	
	2014-15	2013-14
Total revenue	4808.22	4366.46
Profit before finance cost, depreciation and tax	580.85	473.51
Finance cost & depreciation	83.81	66.62
Profit before tax	497.04	406.89
Provision for taxation (incl. deferred tax)	161.10	153.92
Profit after tax	335.94	252.97
Balance carried forward from last year	1452.16	1308.83
Profit available for appropriation	1788.10	1561.80
Proposed equity dividend	83.41	71.49
Tax on dividend	16.98	12.15
Transfer to general reserve	—	26.00
Surplus carried forward	1687.71	1452.16

Annual Performance

Your company posted a total revenue of Rs. 4,808 crore for the financial year 2014-15, against last year's 4,366 crore, an increase of 10%. The rise in revenues in subdued market conditions that have prevailed for over two years was largely due to the higher order book at the beginning of the year. The government has been taking various steps to promote the manufacturing sector. Though these measures have created a favourable market sentiment, it would take some more time for noticeable changes to happen at the ground level. In the capital goods industry we largely depend upon the revival of core sectors like power, steel, cement, oil & gas, etc. but there has been no significant investment in these sectors. Considering this scenario, the company is putting in more efforts in its international initiatives while focusing on improving the domestic market share.

Thermax's Energy business contributed 82% of the Group's operating revenue while the Environment business accounted for the remaining 18%.

Despite adverse market conditions, your company continued to invest in research and innovation initiatives.

During the year, the revenue from international markets including deemed exports were Rs. 1,092 crore against Rs. 1,101 crore last year.

Profit before tax at Rs. 497 crore was 10.3% of the total revenue, compared to Rs. 407 crore, at 9.3% in the previous year.

Profit after tax stood at Rs. 336 crore, compared to Rs. 253 crore in the previous year. Earnings per share (EPS) were at Rs. 28.19 (Rs. 21.23 in FY 2013-14).

Order booking for the year was Rs. 3,951 crore against Rs. 5,394 crore last year, registering a decrease of 27%. Your company completed the year with an order backlog of Rs. 4,396 crore as against Rs. 5,389 crore last year. Though your company made a modest improvement in its revenue and profit, 2014-15 continued to be tough in the absence of project orders getting finalised in the core sectors of the economy.

Dividend

The Directors have recommended a dividend of Rs. 7/- (350%) per equity share of face value Rs. 2/-. The dividend, if approved by the shareholders, will result in a payout of Rs. 100 crore, including dividend distribution tax of Rs. 17 crore.

Subsidiaries

Annual accounts of the subsidiary companies and related detailed information are available to shareholders of the parent company, subsidiary companies and to the statutory authorities. On request, these documents will be made available for inspection at the company's corporate office.

The report on performance of subsidiary companies is included in Management Discussion and Analysis.

Information on newly incorporated / ceased subsidiaries during the year

In order to enhance its presence in South-East Asia, the company has incorporated a wholly-owned subsidiary, 'Thermax Engineering Singapore Pte.Ltd.' on May 22, 2014.

The company has set up another step-down subsidiary company in Indonesia (through the Singapore based wholly-owned subsidiary), namely, 'PT Thermax International Indonesia' which was incorporated on October 22, 2014.

Thermax incorporated a subsidiary, 'Thermax Senegal S.A.R.L.' to tap business in power sector in Senegal.

During the year, Omnical Kessel, the company's step down subsidiary in Germany has filed for insolvency, due to continued losses.

The company does not have any 'material subsidiary' whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated revenue during the previous financial year.



Heat transformer, recently launched by Thermax, helps in optimum utilisation of energy. This 4450 KW system successfully commissioned at a Chinese facility for poly film for photo-voltaic panels steps up the temperature of waste heat warmed water from 108°C to 152°C.

Management Discussion and Analysis

The Management Discussion and Analysis report, highlighting the performance and prospects of the company's energy and environment segments, including details of subsidiaries catering to the respective businesses, information on company's health, safety & environment measures, human resources, risk management and internal controls systems, is attached.

Corporate Governance Report

A detailed Corporate Governance Report that also contains disclosures required as per the Section 134 and

177 of the Companies Act, 2013 is attached.

A certificate from the statutory auditors of the company regarding compliance with the conditions of corporate governance as required under Clause 49 of the Listing Agreement is part of this report.

Finance, Accounts And Systems

During the year, the company has invested Rs. 49 crore in capital expenditure. The net fixed assets including capital work-in-progress stands at Rs. 648 crore as on March 31, 2015.

The company has generated Rs. 280 crore from

operations after payment of tax. Cash and cash equivalent as at the end of the financial year stands at Rs. 1,005 crore.

Current investment in mutual fund was Rs. 783 crore.

In order to strengthen its internal control system, the company has automated a number of controls and is also reinforcing its existing system. Further, its Oracle ERP has been upgraded to the latest R-12 platform.

Public Deposits

The company had no unpaid/ unclaimed deposit(s) as on March 31, 2015. It has not accepted any fixed deposits during the year.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

Vigil Mechanism / Whistle Blower Policy

The company has a vigil mechanism named 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The details of the said policy is explained in the Corporate Governance Report and also posted on the website of the company.

Employee Strength

The total number of permanent employees on the rolls of the company was 4,027 as on March 31, 2015 (4,046 the previous year).

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company, will be provided

upon request. In terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members and others entitled thereto. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the corporate office of the company. The said information is also available for inspection at the registered office during working hours up to the date of the Annual General Meeting.

Details of Trusts for the Benefit of Employees

a) ESOP Trust

The company has ESOP Trust which holds 29,06,250 (2.44%) Equity Shares of Rs. 2/- each of Thermax. The Trust has not made any buying or selling transactions in the secondary market. The company presently does not have any ESOP scheme.

b) Employee Welfare Trusts

The company has a few Employee Welfare Trusts primarily for providing housing loans / medical / educational aid to its employees and their families. These Trusts presently hold 36, 35,190 Equity Shares of Rs. 2/- each of the company. None of the Trusts had any dealings in the secondary market.

Disclosure – Anti Sexual Harassment Policy

The company has in place, an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2014-15:

Number of complaints received – Nil

Number of complaints disposed of – Nil

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed as 'Annexure 1'

Corporate Social Responsibility Initiatives

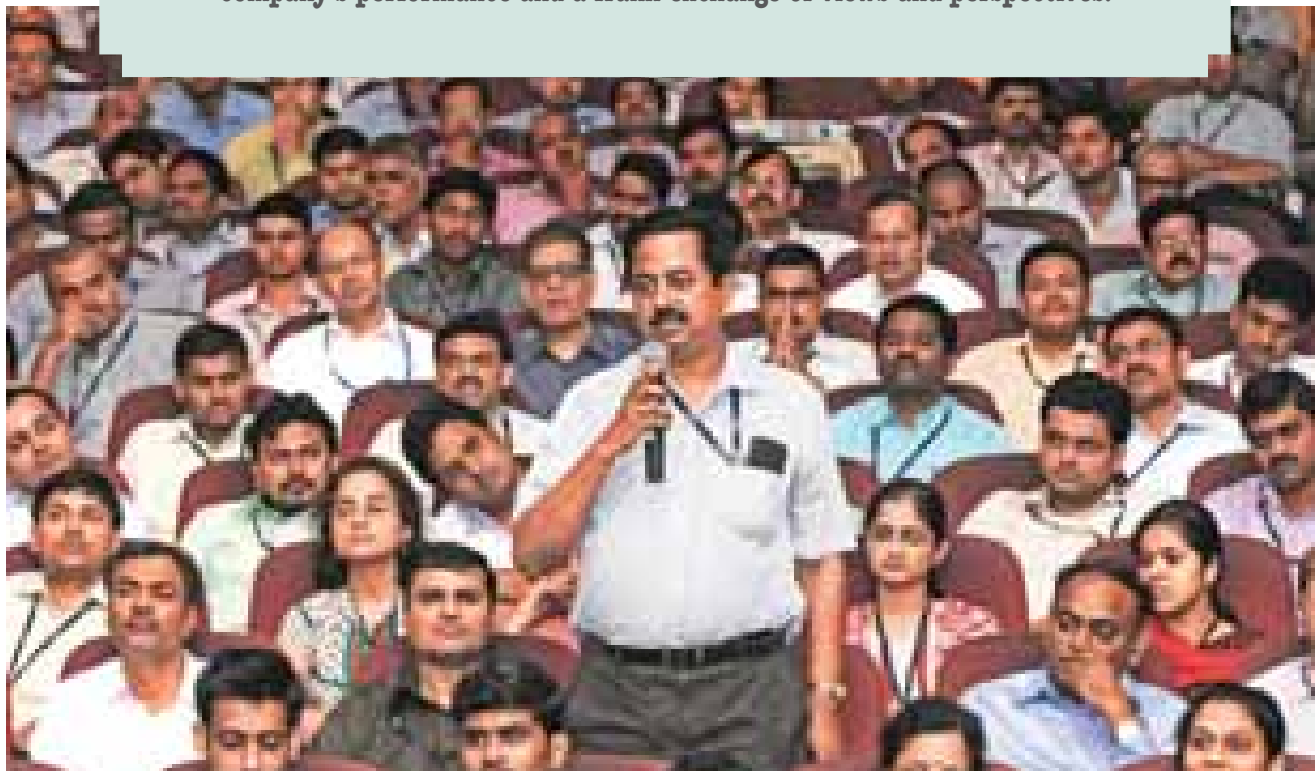
As a part of its initiatives under “Corporate Social

Responsibility (CSR)”, the company has undertaken projects in the areas of education, livelihood, health, water and sanitation. These projects are largely in accordance with Schedule VII of the Companies Act, 2013. The CSR initiatives are undertaken through Thermax Social Initiative Foundation (TSIF), since 2007.

In view of the requirements under the Companies Act, 2013, the Company has formed a Corporate Social Responsibility Committee (CSR Committee) and approved CSR Policy, a copy of which is available on the company’s website. As per the said policy, the company would continue its CSR initiatives through TSIF.

The Annual Report on CSR activities is annexed as 'Annexure 2'.

At the Open Forum, a Thermax tradition for the past 18 years. At this annual session, Thermax employees, promoters and management come together for a discussion on the company’s performance and a frank exchange of views and perspectives.



Directors

At the Annual General Meeting (AGM) of the company held on July 22, 2014, the members of the company have appointed Dr. Jairam Varadaraj, Dr. Valentin A.H. von Massow, Dr. Raghunath Mashelkar and Nawshir Mirza as independent directors in terms of the Companies Act, 2013 for a term of 5 years effective from July 22, 2014.

All independent directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The company has formulated a policy on 'Familiarisation programme for independent directors' which is available on the company's website, www.thermaxglobal.com

In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, Pheroze Pudumjee retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment as director.

Meetings

A calendar of meetings is prepared and circulated in advance to the directors.

During the year, five Board meetings were convened and held, the details of which are given in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, approved a policy for selection, appointment and remuneration of director and senior management. The gist of Remuneration Policy is stated in the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own

performance. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

Directors' Responsibility Statement

In terms of Section 134 (3) (c) of the Companies Act, 2013, your directors, to the best of their knowledge and belief and according to the information and explanations obtained by them in the normal course of their work, state that, in all material respects;

- a) In the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed;
- b) Appropriate accounting policies have been selected, applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit of the company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The annual financial statements have been prepared on a going concern basis;
- e) Proper internal financial controls were in place and the financial controls were adequate and operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Related Party Transactions

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which

may have a potential conflict with the interest of the company at large.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all related party transactions is placed before the Audit Committee for their approval on a quarterly basis. The company has developed a Related Party Transactions Manual and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the company's website.

None of the directors have any pecuniary relationships or transactions vis-à-vis the company.

Particulars of contracts & arrangements with Related Parties are appended in Form AOC 2 as 'Annexure 3'.

Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.

Committees of The Board

Risk Management Committee

During the year, pursuant to the requirement of Clause 49 of the Listing Agreement, the company has constituted a Risk Management Committee. A Risk Management Policy has been prepared which is placed on the website of the company.

The details of all committees and its terms of reference are set out in the Corporate Governance Report.

Auditors

Statutory Auditors

M/s. B. K. Khare & Co., Chartered Accountants, retire as statutory auditors at the ensuing Annual General

The Thermax team receiving the BML Munjal Awards 2015 for Business Excellence through Learning and Development. Thermax won this award in the private sector (manufacturing) category.



Meeting (AGM) and are eligible for reappointment.

As required under the provisions of Section 139 (1) of the Companies Act, 2013, the company has obtained a written consent from them to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

The Audit Committee has recommended appointment of M/s. SRBC & Co. LLP, Chartered Accountants, at the ensuing (AGM) as Joint Auditors of the company for a term of five years. Necessary resolution for such appointment is mentioned in the Notice of the AGM for approval of the members.

As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Cost Auditors

In terms of Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune have been appointed as the Cost Auditors of the company for FY 2015-16.

Secretarial Audit

In accordance with the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. SVD & Associates, Company Secretaries, Pune, to undertake the Secretarial Audit of the company. The Secretarial Audit report is annexed herewith as 'Annexure 4'.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form No. MGT-9 is annexed herewith as 'Annexure 5'.

Awards and Recognition

Your company has received the following awards during the year:

- Best Concentrated Solar Thermal manufacturer

award from Ministry of New and Renewable Energy for the largest number of solar installations in the last three years.

- Safety Innovation Award 2014 for Chinchwad factory from the Institution of Engineers, India (IEI) for safety management and disaster mitigation; and Safety Award 2014 for Chinchwad factory by the Greentech Foundation for its innovative health, safety and environment practices.
- 'L&D Team of the Year' award from the Tata Institute of Social Sciences for innovation and industry focused content in learning and development.
- BML Munjal Awards 2015 – Business Excellence through Learning and Development for recognising learning and development as an enabler to improve business performance.
- Bharat Asmita Lifetime achievement award 2015 for Anu Aga, director, instituted by MAEER's MIT Group of Institutions, Pune.

Acknowledgements

Your directors place on record their appreciation of the continued support extended during the year by the company's customers, business associates, suppliers, partners, bankers, investors, government authorities and joint venture partners. They also place on record their appreciation of the dedication and contributions made by all the employees for their commitment, hard work and support.

Your directors would also like to thank all their shareholders for their continued faith in the company and its future.

For and on behalf of the Board

Meher Pudumjee
Chairperson

Pune: May 26, 2015

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of
The Companies (Accounts) Rules, 2014]

A. Conservation of Energy

During the year, the following measures were taken for energy and resource conservation:

1. **Electricity:** The company continued its efforts for optimum utilisation of energy at its Chinchwad and Savli manufacturing facilities. At both these locations, the energy consumption was optimised using energy efficient systems and various other measures such as installing power saver lamps, using single compressors for heating, replacing higher watt HPSV lamps with lower watt lamps, replacing the magnetic ballast with electronic ballast and installing energy savers on saw machines. The measures further include reducing the no-load losses by replacing the old transformer with an energy efficient one at the Chinchwad plant, replacing CFL by LED for street lights and continued use of auto on/off, installing VFD for shot blasting machine, for air compressor plant and so on. These measures have resulted in an annual saving of Rs. 126 lakh.

At the Paudh manufacturing facility, the company has reduced electricity consumption by 2% over the last year for every cubic metre of resin produced. This was achieved by controlling process cycle time, optimally using power-consuming machinery and reducing power consumption in cooling towers.

2. **Water:** The company continued its efforts to conserve water resources by recycling major portion of its waste water and reducing its water consumption. Various measures to control water losses have been undertaken in all manufacturing locations of the company, and recycled water is being used for gardening and other purposes.

At Paudh and Jhagadia manufacturing facilities, around 74000 m³ water has been recycled and used for gardening, process and recirculation.

3. **Fuel:** The company was able to save close to Rs. 40 lakh in fuel cost by using biomass as fuel and replacing furnace oil at the centralised AC in the Chinchwad factory.

At the Paudh manufacturing facility, the company has reduced the fuel consumption per cubic meter of resin produced by 2% over the last year.

B. Technology Absorption

1. Efforts, in brief, made towards technology absorption

a. The projects undertaken under solar-biomass hybrid technology are under implementation stage. For process heat applications, Solar boiler was standardised which is easily integrated into a customer's existing scheme.

b. Using state-of-the-art techniques in structural engineering, different divisions undertook projects to optimise size and weight of products.

c. Water recycle technology: Sequential batch reactor to treat pollutants like nitrate and phosphorus in effluent water in addition to biochemical oxygen demand (BOD) and chemical oxygen demand (COD).

d. Two stage ESP technology: Compact two field electrostatic precipitators to meet the growing ESP market for boiler applications.

e. Knowledge based value engineering to enhance the performance of our offerings in HRSG, CPRG, TG, etc. which have helped to make our products more competitive.

2. Benefits derived as a result of the above efforts – product improvement, cost reduction, product development, import substitution, etc.

a. Solar biomass based hybrid systems are emerging as a viable option for distributed generation.

b. Innovation through knowledge based value engineering is implemented in select few projects across a few divisions. Many new methodologies have been put in place resulting in substantial cost savings.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year), following information is furnished.

Technology imported	Year of import	If technology has been fully absorbed	If not fully absorbed, reasons and future plan of action
High pressure condensate polishing unit technology	2012	In the process of absorption	Your company is pursuing a few enquiries. In the absense of an order this technology is yet to be absorbed

4. Expenditure on R&D

Particulars	Amount in Rs. crore	
	Current year	Previous year
Capital	2.8	6.4
Recurring	16.9	18.8
Total	19.7	25.2
Total R&D expenditure as a percentage of turnover	0.42	0.59

The Thermax Innovation Council, created in 2008, is creating an innovation eco system across the organisation by interacting with leaders involved in strategic businesses; discussing new technology, business model, people and financial aspects; and liaising with internationally renowned innovators, researchers and institutions.

C. Foreign Exchange Earnings And Outgo

The company's operations in export markets are elaborated in the Management Discussion and Analysis report.

During the year, the company had a net foreign exchange inflow of Rs. 637 crore as against a net inflow of Rs. 687 crore in the previous year.

The details on foreign exchange earnings and outgo are given in the Notes 35(j), 35(k) and 35(l) of Financial Statements, which form part of the Annual Report.

For and on behalf of the Board

Meher Pudumjee
Chairperson

Pune: May 26, 2015

ANNUAL REPORT ON CSR ACTIVITIES & CSR POLICY

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.

The Board of Directors of Thermax Ltd., after taking into account the recommendations of the CSR Committee, has approved this CSR Policy for the company. As required under section 135(4) of the Companies Act, 2013, this policy is uploaded on the company's website.

The company has been focusing predominantly in the area of education of economically underprivileged children.

Apart from education, Thermax is also involved, in a small way, in addressing the issue of social discrimination, through affirmative action, skill development and employability initiatives.

Thermax had incorporated a Section 25 company in 2007 in accordance with the then Companies Act, 1956 to design and implement its CSR programmes.

2. Composition of the CSR Committee

In accordance with Section 135 of the Companies Act, 2013 and the rules pertaining thereto, a committee of the Board known as 'Corporate Social Responsibility (CSR) Committee' comprising the following members has been constituted:

Chairperson	Anu Aga	Director, Thermax Limited
Member	Meher Pudumjee	Director, Thermax Limited
Member	Dr. R. A. Mashelkar	Independent Director, Thermax Limited
Member	Nawshir Mirza	Independent Director, Thermax Limited

3. Average net profit of the company for last three financial years, as per Section 198 of Companies Act, 2013

The average net profit of the company for the last three financial years is Rs. 494 crore.

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above)

Prescribed CSR expenditure is Rs. 9.88 crore (2% of Rs. 494 crore). Amount contributed to Thermax Social Initiative Foundation is Rs. 9.96 crore.

5. Details of CSR spent during the financial year

- Total amount to be spent for the financial year : Rs. 9.96 crore
- Amount unspent , if any: Rs. 1.53 crore
- Manner in which the amount spent during the financial year is detailed on the next page.

REPORTING ON CSR ACTIVITIES

For the year ended 31st March 2015

1	2	3	4	5	6		7	8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes 1) Direct expenditure 2) Overhead		Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
					Rs. in lakh			
1	Adoption and running of municipal schools	Education	Pune, PMC & PCMC	449.42		424.31	424.31	Direct
2	Teacher training programme for Akanksha TSIF Schools	Education	Pune	-		2.67	2.67	Akanksha Foundation
3	Leadership institute for teachers (LIFT)	Education	Pune	46.84	1)	41.20	58.47	Direct
					2)	17.27		
4	Teach for India (TFI) programme	Education	Pune	160.00		160.00	160.00	Teach to Lead
5	Teach for India (TFI) programme fellowship.	Education	Pune	15.00		17.52	17.52	Direct
6	Science life lab project.	Education	Pune	4.20		4.20	4.20	Teach to Lead
7	Residential school for orphans, street children, extremely impoverished tribal children	Education	West Bengal	100.00		75.00	75.00	Parivaar Education Society
8	Residential primary school for tribal children and a hostel for tribal girls.	Education	Ambegaon, Pune	18.40		18.39	18.39	Shashwat
9	Model residential school for blind girls	Education	Alandi Devachi, Pune	100.00		50.00	50.00	National Federation of the Blind, Maharashtra (NFBM)
10	Rotary distance education programme	Education	Pune	1.50		-	-	Yet to spend
11	Unnati skill development centre	Skill Development	Pune	15.00		8.51	8.51	SGBS Unnati Foundation
12	CII Symbiosis finishing school	Employability	Pune	1.50		1.50	1.50	CII Foundation

REPORTING ON CSR ACTIVITIES

For the year ended 31st March 2015

1	2	3	4	5	6		7	8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes 1) Direct expenditure 2) Overhead		Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
					Rs. in lakh			
13	Train the trainer for ITI finishing school	Employability	Pune	1.50		-	-	Yet to spend
14	Energising accelerated growth and leadership excellence (EAGLE)	Employability	Pune	7.00		7.00	7.00	College of Engineering Pune.
15	Educational programme of Akanksha foundation, through United way of Mumbai	Education	Akanksha Foundation, Pune	7.50	1)	6.80	8.00	United Way of Mumbai & Akanksha Foundation
					2)	1.20		
16	Rural development project undertaken by Rotary club of Nigdi.	Rural Development	Nigdi, Pune	1.00		1.00	1.00	Rotary Club of Nigdi Pune charitable trust
17	Environmental awareness programme	Environment	Pune	0.75		-	-	Yet to spend
18	Literacy summit	Education	Pune	-		0.50	0.50	Rotary South Asia Literacy Summit
19	Disaster relief, Jammu & Kashmir	Disaster Relief	Jammu & Kashmir	-		2.00	2.00	Yusuf Meherally Centre
20	Disaster relief, Malin	Disaster Relief	Malin, Maharashtra	-		3.67	3.67	Shashwat
21	Joy of Giving	Education	Pune	0.30		0.33	0.33	Akanksha Foundation
	TOTAL			929.91		843.07	843.07	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report

The CSR activities of the company are implemented through Thermax Social Initiative Foundation (TSIF). Though the company has contributed more than 2% of the average profit towards the corpus of TSIF during the FY 2014-15, there has been a shortfall of Rs. 1.53 crore as far as the utilisation of funds is concerned. The reasons for the shortfall are mentioned below:

As the main focus of CSR is on education and there is a stringent process for selecting projects, only those projects that yield maximum impact are identified and supported.

There are certain construction projects which are still under progress, and hence, the fund allocated for those projects would be utilised by the next financial year.

TSIF releases the funds to its partner agencies only when it is satisfied with the agreed target and the

expected milestones are met. Thus to help the project achieve the expected results the disbursal of funds were delayed.

As TSIF continuously monitors the progress of projects implemented by the partner organisations and helps them to achieve the expected outcome, in some of the cases the funds were not fully utilised during the financial year 2014-15, but the same would be utilised during the next financial year.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company

The CSR committee confirms that the implementation and monitoring of the CSR policy, is in compliance with the CSR objectives and policy of the company.

Sd/-
(Managing Director
& CEO)

Sd/-
(Chairperson
CSR Committee)

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Form No. AOC-2

[Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/ transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

NIL

2. Details of material contracts or arrangement or transactions at arm's length basis: As per the Appendix-I

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/ transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

For and on behalf of the Board

Pune: May 26, 2015

Meher Pudumjee
Chairperson

Appendix-I
Details of material contracts or arrangement or transactions at arm's length basis -

(Amount in Rs. crore)

Nature of contracts/ arrangements/transactions	Name of the related party and nature of relationship (Wholly owned subsidiary, step down subsidiary and promoter director) except Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. and Thermax SPX Energy Technologies Ltd. (Joint Venture)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any
Sales, Service, Other income	Thermax Inc.	Various	51.64
	Thermax Onsite Energy Solutions Ltd.		4.43
	Thermax Europe Ltd.		62.55
	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.		4.61
	Thermax (Zhejiang) Cooling & Heating Eng. Co. Ltd.		1.44
	Thermax Engineering Construction Co. Ltd.		1.82
	Thermax Instrumentation Ltd.		0.97
	Total		127.46
Income from rendering of services	Thermax Sustainable Energy Solutions Ltd.		0.13
	Thermax Onsite Energy Solutions Ltd.		2.46
	Thermax Denmark Aps.		1.12
	Total		3.71
Reimbursement of expenses received/ cost of material / Stores	Thermax Engineering Construction Co. Ltd.		2.90
	Thermax SPX Energy Technologies Ltd.		0.21
	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.		0.23
	Thermax Onsite Energy Solutions Ltd.		0.25
	Thermax Engineering Singapore Pte Ltd.		0.05
	Thermax Europe Ltd.		0.03
	Thermax Senegal S.A.R.L		1.27
	Thermax Instrumentation Ltd.		0.14
	Total		5.08
Purchase of material /services	Thermax Engineering Construction Co. Ltd.		83.59
	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.		32.68
	Thermax Instrumentation Ltd.		46.69
	Thermax (Zhejiang) Cooling & Heating Eng. Co. Ltd.		7.68
	Thermax SPX Energy Technologies Ltd.		0.32
	Thermax Onsite Energy Solutions Ltd.		0.46
	Total		171.42

(Amount in Rs. crore)

Nature of contracts/ arrangements/transactions	Name of the related party and nature of relationship (Wholly owned subsidiary, step down subsidiary and promoter director) except Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. and Thermax SPX Energy Technologies Ltd. (Joint Venture)	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any
	Thermax Inc.	Various	0.04
	Thermax Europe Ltd.		1.12
	Thermax Onsite Energy Solutions Ltd.		0.13
	Thermax SDN BHD		0.82
	Total		2.11
Interest Income	Thermax Sustainable Energy Solutions Ltd.		0.16
Reimbursement of expenses paid	Thermax (Zhejiang) Cooling & Heating Eng. Co. Ltd.		0.18
	Thermax Europe Ltd.		0.78
	Thermax Inc.		0.68
	Thermax SPX Energy Technologies Ltd.		0.01
	Thermax Instrumentation Ltd.		1.81
	Thermax Engineering Construction Co. Ltd.		1.75
	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.		0.02
	Total		5.23
Expenses for loan written-off	Thermax Sustainable Energy Solutions Ltd.		3.40
Deputation of employees	Thermax Sustainable Energy Solutions Ltd.		0.11
Donation to	Thermax Social Initiative Foundation		9.96
Finance (Including loan / equity/ preference contribution & share application money)	Thermax Engineering Singapore Pte Ltd.		6.78
	Thermax International Ltd.		1.24
	Total		8.02
Guarantee / Bond / Collateral Given on behalf of subsidiaries and outstanding as on 31st March	Thermax Engineering Construction Co. Ltd.		90.00
	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.		66.30
	Thermax Instrumentation Ltd.		43.11
	Thermax Onsite Energy Solutions Ltd.		1.43
	Rifox-Hans Richter GmbH (0.45 million euro)		3.02
	Thermax Senegal S.A.R.L		0.90
	Thermax SPX Energy Technologies Ltd.		0.68
	Total		205.44
Loans, Advance / Deposit outstanding at the end of the year	Arnavaz Aga & Pheroze Pudumjee		0.58
Rent Paid	Pheroze Pudumjee, Meher Pudumjee and Arnavaz Aga		0.36

SECRETARIAL AUDIT REPORT

SVD & ASSOCIATES COMPANY SECRETARIES

4th Floor, Vedwati Apartments, Shivajinagar, Pune – 411005
Telephone: 020 69000666, email: deulkarcs@gmail.com

Form No. MR-3

Secretarial Audit Report

For the Financial year ended 31st March, 2015

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Thermax Limited
D-13, MIDC Industrial Area,
R. D. Aga Road, Pune – 411019.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Limited** (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the

financial year ended on **31st March 2015** complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;

(In so far as they are made applicable)

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(In so far as they are made applicable to the company)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

(a) The Securities and Exchange Board of India Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(Not applicable to the company during the audit period)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(Not applicable to the company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(Not applicable to the company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(Not applicable to the company during the audit period)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(Not applicable as on today)

(ii) The Listing Agreements entered into by the company with Stock Exchange(s);

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For SVD & Associates

Place : Pune
Date: May 26, 2015

S.V. Deulkar
Partner
FCS No. 1321
CP No. 965

Annexure 5

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- | | | | |
|-----|---|---|---|
| i | CIN | : | L29299PN1980PLC022787 |
| ii | Registration Date | : | 30/06/1980 |
| iii | Name of the Company | : | THERMAX LIMITED |
| iv | Category / Sub-Category of the Company | : | Public Company / Limited by Shares |
| v | Address of the Registered office and contact details | : | D-13, MIDC Industrial Area, R. D Aga Road,
Chinchwad-411019 Pune
Maharashtra.
Contact details: Corporate office
Tel: +91-020-66051200/ 25542122
Fax : +91-020-25541226 |
| vi | Whether listed company | : | Yes |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | <p>1 Name: Karvy Computershare Pvt. Ltd.
Unit : Thermax Limited</p> <p>2 Address: Karvy Selenium Tower B,
Plot No. 31 & 32, Gachibowli
Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032
India.</p> <p>3 Contact :</p> <p>i Phone No. : 040-67161500, 33211000</p> <p>ii Fax No : 040-23420814, 23001153</p> <p>iii Email ID : einward.ris@karvy.com</p> <p>iv Website : www.karvy.com</p> |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Boilers and heaters, absorption chillers/ heat pumps, power plants, solar equipment, related services	25131	80
2	Air pollution control equipment/system, water & waste recycle plant, ion exchange resins & performance chemicals, related services	37003, 20119	20

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the company	CIN/GLN	Holding /Subsidiary/ Associates	% of Shares held	Applicable Section
1	RDA Holdings Pvt. Ltd 12 Boat Club Road, Pune 411001	U45001PN1982PTC026507	Holding	53.99	2(46)
2	Thermax Onsite Energy Solutions Ltd. Thermax House 14- Mumbai-Pune Road Wakdewadi, Pune-411003	U40109PN2009PLC134659	Subsidiary	100	2(87)(ii)
3	Thermax Instrumentation Ltd. Thermax House 14- Mumbai-Pune Road Wakdewadi, Pune-411003	U72200MH1996PTC099050	Subsidiary	100	2(87)(ii)
4	Thermax Engineering Construction Company Ltd. Thermax House 14- Mumbai-Pune Road Wakdewadi, Pune-411003	U29246MH1991PLC062959	Subsidiary	100	2(87)(ii)
5	Thermax Sustainable Energy Solutions Ltd. Thermax House 14- Mumbai-Pune Road Wakdewadi, Pune-411003	U29219PN1987PLC045658	Subsidiary	100	2(87)(ii)
6	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. Dhanraj Mahal, 2 nd Chhatrapati Shivaji Maharaj Marg, Near Regal Cinema, Colaba, Mumbai-400039	U29253MH2010PTC204890	Subsidiary	51	2(87)(ii)
7	Thermax SPX Energy Technologies Ltd. Thermax House 14- Mumbai-Pune Road Wakdewadi, Pune-411003	U29299PN2009PLC134761	Subsidiary	51	2(87)(ii)

Sl. No	Name and Address of the company	CIN/GLN	Holding /Subsidiary/ Associates	% of Shares held	Applicable Section
8	Thermax International Ltd. 9 th Floor, Ebene Tower, 52 Cybercity, Ebene, Mauritius	NA	Subsidiary	100	2(87) (ii)
9	Thermax Europe Ltd. 1 Lumley Street, Mayfair, London W1K 6TT	NA	Subsidiary	100	2(87) (ii)
10	Thermax Inc. 21800 Haggerty Road, Suite 112, Northville, MI 48167, USA	NA	Subsidiary	100	2(87) (ii)
11	Thermax do Brasil Energia e Equipamentos Ltda. Av. Paulista, 37-04, andar-edifício Pq, cultural Paulista, São Paulo, Brazil	NA	Subsidiary	100	2(87) (ii)
12	Thermax (Zhejiang) Cooling & Heating Engineering Company Ltd. No.645, Chayuan Road, Jiaxing Economic Development Zone, Jiaxing, Zhejiang, PRC. Post: 314003.	NA	Subsidiary	100	2(87) (ii)
13	Thermax Denmark ApS. Industrivej Nord 13 GFIS, Denmark 7400	NA	Subsidiary	100	2(87) (ii)
14	Thermax Netherlands BV. Herikerbergweg 238 Luna ArenA, Amsterdam Zuidoost, NOORD- HOLLAND	NA	Subsidiary	100	2(87) (ii)
15	Danstoker A/S Industrivej Nord 13DK-7400 , Denmark	NA	Subsidiary	100	2(87) (ii)
16	Ejendomsanp- artsselskabet Industrivej Nord 13 (EIN) Industrivej Nord 13, HERNING, RINGKØBING, Denmark 7400	NA	Subsidiary	100	2(87) (ii)
17	Boilerworks A/S Papegøjevej 7, TONDER, SØNDERJYLLAND, Denmark 6270	NA	Subsidiary	100	2(87) (ii)
18	Boilerworks Properties ApS Industrivej Nord 13, HERNING, RINGKØBING, Denmark 7400	NA	Subsidiary	100	2(87) (ii)

Sl. No	Name and Address of the company	CIN/GLN	Holding /Subsidiary/ Associates	% of Shares held	Applicable Section
19	Rifox-Hans Richter GmbH Spezialarmaturen Bertha-Von-Suttner- Str. 9, 28207 Bremen, Germany HRB3148	NA	Subsidiary	100	2(87)(ii)
20	Thermax SDN.BHD 3rd Floor, South Wing, Bangunan Getah Asli, 148 Jalan Ampang, Kuala Lumpur, 59100, Malaysia	NA	Subsidiary	100	2(87)(ii)
21	Thermax Engineering Singapore Pte. Ltd 100 Beach Road #30-00 Shaw Towers, Singapore 189702	NA	Subsidiary	100	2(87)(ii)
22	PT Thermax International Indonesia Perkantoran Crown Palace, Block. B02- 03, Jl. Prof. Dr. Soepomo SH NO 231, Kel. Tebet, Kec. Menteng Dalam, Jakarta, Indonesia	NA	Subsidiary	95	2(87)(ii)
23	Thermax Senegal S.A.R.L Dakar Domicilia 29 Avenue Pasteur	NA	Subsidiary	100	2(87)(ii)

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	9520805	0	9520805	7.99	0	0	0	0.00	-7.99
b) Central Govnt(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govnt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	64328500	0	64328500	53.99	73849305	0	73849305	61.98	7.99
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other (Relative of Director)	6000	-	6000	0.00	6000	-	6000	0.00	0.00
Sub-total (A)(1):-	73855305	0	73855305	61.98	73855305	0	73855305	61.98	0.00
(2) Foreign									
a) NRIs Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total share holding of Promoter (A)= (A) (1) + (A) (2)	73855305	0	73855305	61.98	73855305	0	73855305	61.98	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institution									
a) Mutual Funds	6027794	0	6027794	5.06	7165502	0	7165502	6.01	0.95
b) Banks/FI	2056209	0	2056209	1.73	1957750	0	1957750	1.64	-0.09
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	197993144	0	197993144	16.62	18649324	0	18649324	15.65	-0.97
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(B) (1):-	27883317	0	27883317	23.41	27772576	0	27772576	23.31	-0.10
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	3397279	0	3397279	2.85	3539914	0	3539914	2.97	0.12
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals				0.00					
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5321822	1202525	6524347	5.48	5340432	1165015	6505447	5.46	-0.02
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	3920245	3167805	7088050	5.95	3846150	3167805	7013955	5.89	-0.06
c) Others (specify)									
i) Directors Relative	0	0	0	0.00	0	0	0	0.00	0.00
ii) Trusts	30	0	30	0.00	30	0	30	0.00	0.00
iii) Foreign Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
iv) Foreign Bodies-DR	0	0	0	0.00	0	0	0	0.00	0.00
v) Non Resident Indian	251625	2501	254126	0.21	326444	2000	328944	0.28	0.07
vi) HUF	124137	0	124137	0.10	121689	0	121689	0.10	0.00
vii) Clearing Members	29709	0	29709	0.02	18440	0	18440	0.02	0.00
Sub-total(B) (2):-	13040848	4376830	17417678	14.61	13189099	4341320	17528419	14.71	0.10
Total Public Shareholding (B) = (B) (1) + (B) (2)	40924165	43393200	45300995	38.02	40961675	4341320	45300995	38.02	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C) Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	114779470	4376830	119156300	100.00	114816980	4339320	119156300	0.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	% change in share holding during the year
1	RDA Holdings Pvt. Ltd.	64328500	53.99	0.00	64328500	53.99	0.00	0.00
2	Arnavaz Rohinton Aga	6888305	5.78	0.00	0	0	0.00	- 5.78
3	Meher Pudumjee	2275500	1.91	0.00	0	0	0.00	- 1.91
4	Pheroze Pudumjee	357000	0.30	0.00	0	0	0.00	- 0.30
5	ARA Trusteeship Company Pvt. Ltd.	0	0	0.00	9520805	7.99	0.00	7.99
	Total	73855305	61.98	0.00	73855305	61.98	0	0.00

iii) Change in Promoters' Shareholding

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	Arnavaz Rohinton Aga	6888305	5.78	01-04-2014	-	-	6888305	5.78
				23-09-2014	-6888305	Transfer	0	0.00
		0	0	31-03-2015			0	0.00
2	Meher Pudumjee	2275500	1.91	01-04-2014	-	-	2275500	1.91
				23-09-2014	-2275500	Transfer	0	0.00
		0	0	31-03-2015			0	0.00
3	Pheroze Pudumjee	357000	0.30	01-04-2014	-	-	357000	0.30
				23-09-2014	-357000	Transfer	0	0.00
		0	0	31-03-2015	-		0	0.00
4	ARA Trusteeship Company Pvt. Ltd.	0	0	01-04-2014	-	-	0	0.00
		0	0	13.10.2014	9520805	Transfer	9520805	7.99
		9520805	7.99	31-03-2015	-	-	9520805	7.99

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	Matthews Pacific Tiger Fund	5110034	4.29	1-04-2014	-	-	5110034	4.29
				25-07-2014	136788	Transfer	5246822	4.40
				01-08-2014	63212	Transfer	5310034	4.46
		5310034	4.46%	31-03-2015	-	-	5310034	4.46
2.	Arnavaaz Rohinton Aga (Trustee- Thermax ESOP Trust)	2906250	2.44	1-04-2014	-	-	2906250	2.44
		2906250	2.44	31-03-2015	-	-	2906250	2.44
3	Life Insurance Corporation of India	1768720	1.48	1-04-2014	-	-	1768720	1.48
				31-03-2015	-	-	1768720	1.48
4	Amansa Capital Pte Limited A/C Amansa Holdings Pvt Ltd. *	1677445	1.41	1-04-2014	-	-	1677445	1.41
		-	-	12-09-2014	36800	Transfer	1714245	1.44
				19-12-2014	- 1714245	Transfer	0	0.00
				31-03-2015	-	-	0	0.00
5	Matthews India Fund	1333128	1.12	1-04-2014	-	-	1333128	1.12
				20-06-2014	5758	Transfer	1338886	1.12
				30-06-2014	189242	Transfer	1528128	1.28
				01-08-2014	70000	Transfer	1598128	1.34
				31-03-2015	-	-	1598128	1.34
6	M/S Regal Investment And Trading Co Pvt Ltd *	1175547	0.99	01-04-2014	-	Transfer	1175547	0.99
				12-12-2014	-400000	Transfer	775547	0.65
				09-01-2015	-400000	Transfer	375547	0.31
				20-03-2015	-375547	Transfer	0	0.00
				31-03-2015	-	-	0	0.00
7	Pine Bridge Investments Asia Limited A/C Pine Bridge	999510	0.83	01-04-2014	-	-	999510	0.83
				02-05-2014	137349	Transfer	1136859	0.95
				09-05-2014	19949	Transfer	1156808	0.97
				16-05-2014	- 75000	Transfer	1081808	0.91
				23-05-2014	-50000	Transfer	1031808	0.87
				18-07-2014	17195	Transfer	1049003	0.88
				08-08-2014	- 29296	Transfer	1019707	0.86
				22-08-2014	- 12781	Transfer	1006926	0.85
				05-09-2014	- 273124	Transfer	733802	0.62
				17-10-2014	- 33000	Transfer	700802	0.59
				06-03-2015	60883	Transfer	761685	0.64
				13-03-2015	-10993	Transfer	750692	0.63
				31-03-2015	-	-	750692	0.63

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the company				No. of shares	% of total shares of the company
8	Morgan Stanley Asia (Singapore) Pte. *	970647	0.81	1-04-2014	-	-	970647	0.81
				23-05-2014	7793	Transfer	978440	0.82
				11-07-2014	5249	Transfer	983689	0.83
				17-10-2014	18493	Transfer	1002182	0.84
				07-11-2014	1553	Transfer	1003735	0.84
				28-11-2014	2955	Transfer	1006690	0.84
				05-12-2014	-5077	Transfer	1001613	0.84
				12-12-2014	-22819	Transfer	978794	0.82
				19-12-2014	-978794	Transfer	0	0
				31-03-2015	0	-	0	0.00
9	SBI Magnum Taxgain Scheme	920000	0.77	1-04-2014	-	-	920000	0.77
				1-08-2014	-75000	Transfer	845000	0.71
				8-08-2014	-45000	Transfer	800000	0.67
				30-01-2015	-40000	Transfer	760000	0.64
				20-03-2015	-6631	Transfer	753369	0.63
				27-03-2015	-33369	Transfer	720000	0.60
				31-03-2015	-5503	Transfer	714497	0.60
10	Reliance Capital Trustee Co. Ltd. A/C Reliance Diversified Power sector Fund	905222		1-04-2014	-	Transfer	905222	0.76
				13-03-2015	-25000	Transfer	880222	0.74
				31-03-2015	-	-	880222	0.74
11	Capital International Emerging Markets Total Oppor #	878029	0.74	1-04-2014	-	-	878029	0.74
				31-03-2015	-	-	878029	0.74
12	Goldman Sachs India Fund Limited #	305183	0.26	1-04-2014	-	-	305183	0.26
				04-04-2014	49260	Transfer	354443	0.30
				11-04-2014	18249	Transfer	372692	0.31
				16-05-2014	147859	Transfer	520551	0.44
				20-06-2014	57387	Transfer	577938	0.49
				05-09-2014	30890	Transfer	608828	0.51
				14-11-2014	116928	Transfer	725756	0.61
				21-11-2014	55685	Transfer	781441	0.66
				28-11-2014	38931	Transfer	820372	0.69
				05-12-2014	40536	Transfer	860908	0.72
				12-12-2014	43012	Transfer	903920	0.76
				23-01-2015	54323	Transfer	958243	0.80
				30-01-2015	78680	Transfer	1036923	0.87
				13-02-2015	56281	Transfer	1093204	0.92
				20-02-2015	2943	Transfer	1096147	0.92
				27-02-2015	1491	Transfer	1097638	0.92

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the company				No. of shares	% of total shares of the company
	Goldman Sachs India Fund Limited #			06-03-2015	118174	Transfer	1215812	1.02
				13-03-2015	22378	Transfer	1238190	1.04
				27-03-2015	62512	Transfer	1300702	1.09
				31-03-2015	8800	Transfer	1309502	1.10
13	Morgan Stanley Asia (Singapore) PTE. #	0	0	1-04-2014	-	-	0	0.00
				19-12-2014	963198	Transfer	963198	0.80
				30-01-2015	10785	Transfer	973983	0.82
				20-02-2015	-400	Transfer	973583	0.82
				27-02-2015	-23106	Transfer	950477	0.80
				6-03-2015	-16791	Transfer	933686	0.78
				13-03-2015	-21344	Transfer	912342	0.77
				20-03-2015	-21556	Transfer	890786	0.75
				27-03-2015	-5005	Transfer	885781	0.74
				31-03-2015	-	-	885781	0.74
14	HDFC Trustee Company Ltd - A/C HDFC Mid – Cap Opportunity Fund #	0	0.00	01-04-2014	-	-	0	0.00
				16-05-2014	600000	Transfer	600000	0.50
				23-05-2014	25524	Transfer	625524	0.52
				30-05-2014	77276	Transfer	702800	0.59
				06-06-2014	75000	Transfer	777800	0.65
				13-06-2014	22200	Transfer	800000	0.67
				30-06-2014	127511	Transfer	927511	0.78
				04-07-2014	328	Transfer	927839	0.78
				05-09-2014	5000	Transfer	932839	0.78
				31-03-2015	-	-	932839	0.78
15	Amansa Holdings Private Limited #	0	0.00	1-04-2014	-	-	0	0.00
				19-12-2014	1714245	Transfer	1714245	1.44
				31-03-2015	-	-	1714245	1.44

* Ceased to be in the list of top ten Shareholders as on 31-03-2015. The same has been reflected above since shareholder was one of the top ten Shareholders as on 01-04-2014.

Not in the list of top ten Shareholders as on 01-04-2014. The same has been reflected above since shareholder was one of the top ten Shareholders as on 31-03-2015.

(V) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the company				No. of shares	% of total shares of the company
A	Directors							
1	Arnavaz Rohinton Aga	6888305	5.78	01-04-2014	-	-	6888305	5.78
				23-09-2014	-6888305	Transfer	0	0
		0	0	31-03-2015	-	-	-	0
2	Meher Pudumjee	2275500	1.91	01-04-2014	-	-	2275500	1.91
				23-09-2014	-2275500	Transfer	0	0
		0	0	31-03-2015	-	-	-	0
3	Pheroz Pudumjee	357000	0.30	01-04-2014	-	-	357000	0.30
				23-09-2014	-357000	Transfer	0	0
		0	0	31-03-2015	-	-	-	0
B	Key Managerial Personnel (KMP)							
1	Amitabha Mukhopadhyay (Group CFO)	450	0.00	01-04-2014	-	-	450	0.00
		450	0.00	31-03-2015	-	-	450	0.00

The Following Directors/ Key Managerial Personnel (KMP) did not hold any shares during FY 2014-15:

Nawshir Mirza, Dr. Jairam Varadaraj, Dr. Raghunath A Mashelkar and Dr. Valentin A. H. von Massow - Directors

M. S. Unnikrishnan – Managing Director & Chief Executive Officer (KMP)

Gajanan P. Kulkarni – Vice President- Legal & Company Secretary (KMP)

(vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Rs. Lakh			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	12876	9600	0	22476
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	3	0	0	3
Total (i+ii+iii)	12879	9600	0	22479
Change in indebtedness during the financial year				
Addition	0	0	0	0
Reduction	2369	9600	0	11969
Net Change	2369	9600	0	11969
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	10506	0	0	10506
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	4	0	0	4
Total (i+ii+iii)	10510	0	0	10510

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration of M. S. Unnikrishnan, Managing Director & Chief Executive Officer	Total Amount (Rs. Lakh)
1.	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	214.32
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.90
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...	80.00
5.	Others, please specify (Retrial Benefits)	36.10
	Total(A)	331.32
	Ceiling as per the Act	Rs. 2312 Lakh (Being 5 % of the Net Profit of the Company calculated as per Section 198 of the Companies Act 2013)

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount (Rs. Lakh)
1.	Independent Directors	Dr. Jairam Varadaraj	Dr. R. A. Mashelkar	Dr. Valentin A. H. von Massow	Nawshir Mirza	Tapan Mitra #	
	Fee for attending board / committee meetings	5.10	2.70	4.70	5.10	2.30	19.90
	Commission	14.40	11.10	23.50@	30.00	-	79.00
	Others, please specify	-	-	-	-	-	-
	Total(1)	19.50	13.80	28.20	35.10	2.30	98.90
2.	Other non-executive directors	Meher Pudumjee	Pheroz Pudumjee	Arnavaz Aga	-	-	
	Fee for attending board / Committee meetings	4.90	8.00	3.90	-	-	16.80
	Commission	35.00	15.00	13.00	-	-	63.00
	Others, please specify	-	-	-	-	-	
	Total(2)	39.90	23.00	16.90	-	-	79.80
	Total(B) = (1+2)*						178.70
	Over all Ceiling as per the Act		*Rs. 462 lakh (Being 1 % of the Net Profit of the Company calculated as per Section 198 of the Companies Act 2013)				
	Total Managerial (A+B) remuneration						510.02

For the period from 01.04.2014 to 22.07.2014.

@ Equivalent to 35,000 euro (Rate applicable as on March 31, 2015 Rs. 67.15 per euro)

C. Remuneration to key managerial personnel other than MD/

Manager/ Whole Time Director

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Rs. in lakh)		
		Company Secretary (Gajanan P. Kulkarni)	Chief Financial Officer (Amitabha Mukhopadhyay)	Total
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47	127	174
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	2	8	10
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as% of profit -Others, specify	NIL	NIL	NIL
5.	Others, please specify (Retrial Benefits)	-	-	-
	Total	49	135	184

VIII. Penalties /Punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give Details)
a.) Company					
Penalty					
Punishment					
Compounding					
b.) Directors					
Penalty			NIL		
Punishment					
Compounding					
c.) Other Officers in Default					
Penalty					
Punishment					
Compounding					

MANAGEMENT DISCUSSION AND ANALYSIS



Overview of the business environment

As developed economies, especially the US, made a gradual recovery, the world economy registered a growth rate of 3.4% in 2014. Overall, global growth is projected to reach 3.5% and 3.8% respectively in 2015 and 2016, signalling slow but steady revival over the next few years.

Last year, the two major factors affecting economies the world over have been oil price and currency exchange rate movement. Lower oil price has improved the trade balances of oil importing countries like India and has given them the opportunity to deploy capital that earlier subsidised fuel to create more productive assets and to develop the renewable energy sector. The impact of reduced realisation is not yet visible in the oil exporting markets, but will be evident soon if the current rates hold for a longer duration.

The year also saw large currency movements with most major currencies weakening against the US dollar. The rupee, however, weakened only slightly against the US dollar, resulting in its appreciation against many other currencies.

While the Chinese economy is growing at a rate slower than what it is used to, its impact on Thermax has been small. On the other hand, the sanctions against Russia combined with the drop in oil prices affecting its economy have seriously hurt our manufacturing operations in Europe, for whom that country is a significant market. This was not alleviated by the European market because of the continuing challenges faced by its economies.

Indian economic growth strengthened as the GDP grew by 7.4% in FY 15. However, the benefit of this

was marginal for the company. Lower inflation, mainly driven by lower oil prices, has led to a reduction in borrowing rates. Lower borrowing rates are critical for capex-heavy core industries and the infrastructure sector, which rely on significant debt to finance their projects. A revival in these sectors should generate demand for the capital goods industry, over time.

The appreciation of the rupee against most other currencies poses a risk to our export revenues which now are about a quarter of our aggregate turnover.

The capital goods industry continues to suffer as there are yet only a few large orders. The core sectors have significant idle capacity and are loath to add more in the current scenario. Fortunately, small orders from the consumer sector continue to grow at a moderate pace. Capacity utilisation continues to remain at low levels in the cement sector. The merger of two global cement majors is likely to optimise capacity utilisation, thereby postponing the requirement for new plants and equipment. The steel sector seems to be in a similar situation and we do not foresee any recovery in the near future.

The power sector is the backbone of our business and its growth is the single most important factor in our success. Unfortunately, this sector saw no traction in FY15 and the outlook does not look promising for next year either. While the coal-mine auctions have been a step in the right direction, they now seem to have resulted in new challenges for the winning bidders. The poor financial health of State Electricity Boards, over-leveraged private sector generators and land acquisition issues are all contributing to a situation where there are no new private power projects on the horizon. We might see signs of recovery in this sector only after 12 to 18 months.

The government's measures to bring clarity at policy levels and promote the manufacturing sector could take time to have an impact and, until then, demand for our major products would continue to be driven by consumer industries. We shall continue to focus on strengthening our position in international markets to counter the slowdown in the core sectors of the domestic market.

Strategy

As stated above, the group has been significantly dependent on the capital goods sector of which power generation has been the core. Several years ago a strategy was implemented to reduce this dependence. This included manufacturing non-capital goods

products such as performance chemicals, developing services capabilities for running the plants that we supply to our customers and developing overseas markets. This strategy has been pursued consistently and its results are visible over the long term.

A long term risk of the core businesses is the dependence on coal fired boilers which will become increasingly disincentivised by measures to mitigate the impact of climate change. The company's strategy to counteract this risk includes all of the above plus focussing on improvements in boiler efficiencies and developing boilers for difficult-to-burn biomass such as palm bunch kernals, coffee grounds, straw, bran, etc. and a focus on renewable energy.

**A 30 MW captive power plant built for a cement factory in Zambia.
Commissioned in February 2015, Thermax was also awarded the contract for the
plant's operation & maintenance.**



Review of company operations

In a subdued domestic market where the ground reality continued to remain unchanged, your company posted higher revenues of Rs. 4,808 crore (Rs. 4,366 crore, last year). This was largely made possible by a higher order carry-forward from the previous year. Export revenue including deemed exports for the year remained flat at Rs. 1,092 crore (previous year Rs. 1,101 crore) and Rs. 1,624 crore on a consolidated basis (previous year Rs. 1,757 crore). The consolidated order balance decreased by 7.4% and stood at Rs. 5,671 crore as on March '15.

The selective internationalisation programme your company had seeded earlier held up in spite of a tough global market, compensating for the domestic shortfall with some significant orders garnered from the African and South East Asian markets.

Contrary to our strategy, the problems in Europe caused the share of our Indian revenues to grow from 65% last year to 69.6%. The main reason was that the company exited its investment in Omnical, a manufacturer of oil-gas fired boilers in Germany that had been acquired along with Danstoker. The management took the step after all attempts to turn it around failed. This hit revenues by Rs. 118 crore. However, Rs. 49 crores was the additional cost of closing the business (exceptional item in profit & loss account) and this had its impact on net profits.

Outlook for the coming year continues to be challenging. Though some of the domestic sectors that the product divisions of the company cater to appear to be reviving, there is no noticeable shift in the fortunes of the core sectors that provide big-sized project orders. The group begins FY 16 with a lower order carry forward of Rs. 5,671 crore (previous year Rs. 6,121 crore). During the year, its focus would be on retaining the topline through its capacity to execute short cycle orders, and if received in the early part of the year, medium-to-long term orders too. As there is surplus capacity available, the company is confident of executing orders at short notice.

As part of the efforts to internationalise its operations, Thermax inaugurated the office of a subsidiary

company, PT Thermax International Indonesia in November 2014. A manufacturing facility is also being set up in Indonesia, which is expected to be ready by the end of FY 17.

The company has two business segments: Energy and Environment. Both these segments span a wide range of products and services which can be grouped into three categories –

- 1) Products, both, standard and custom designed. Larger units are generally custom- designed and built.
- 2) Projects and EPC contracts, especially for the larger non-standard products.
- 3) Lifecycle and O&M services to operate plants and other services that we or others have provided to users.

The risks, economics and business organisation are different for each. While most of the products business and service businesses are housed in the parent company (though there are joint ventures too), the construction portion of some of the EPC businesses are in the subsidiaries. China and Denmark subsidiaries also manufacture products for the overseas markets. Other subsidiaries abroad are predominantly sales/ service offices that trade in products made in India or in our international factories. There are several factories in India to manufacture products, which work in close collaboration with a large number of specialised vendors. The company outsources work that can be done more economically by its specialised vendors.

The EPC business includes designing, engineering and integrating other machines in order to deliver a composite plant to an EPC customer. For example, Thermax supplies complete power plants that integrate boilers, chillers and various utilities made by it such as water & wastewater treatment and air pollution control equipment with turbines, generators and such balance-of-plant procured from other manufacturers.

The service business also includes retrofitting existing plants to improve efficiencies and operating life and also businesses like chemicals which predominantly impact the revenue side of the balance sheet of our customers.

New products

In FY 2014-15, your company launched several new products:

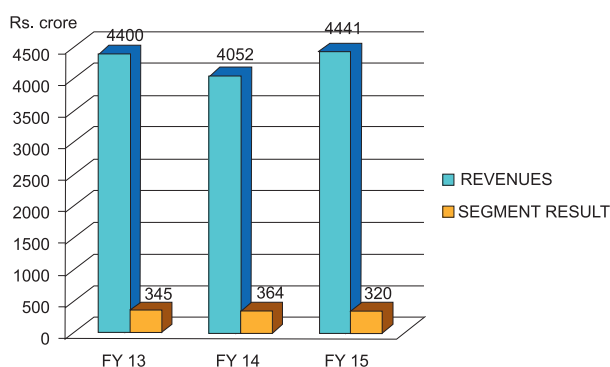
Thermeon, a multi-fuel steam boiler was introduced to meet the energy needs of small and medium scale industries. The skid mounted unit in the 300 to 1500 kg range has a small footprint and generates high quality dry steam.

Heat transformer enhances energy efficiency by stepping up medium grade heat to high grade levels and converting to steam. Successfully commissioned by a photovoltaic poly film unit in China, it is expected to gain more customers.

BioCask is a compact sewage treatment plant which can be fitted in basements. It is a viable option for small and medium industries and commercial complexes.

Solar boiler, a packaged non-IBR unit, can be seamlessly integrated with other operating boilers so that it generates steam during the day and uses conventional fuel during non sunny hours.

Energy segment analysis



The energy business of the Thermax group comprising heating, cooling, EPC power generation and solar contributed 82.3% of the group's operating revenues. It had an operating margin of 7.2 % (9% last year).

The heating segment supplies boilers for a very wide range of applications in capacities ranging from

0.03 MW to 1200 MW super-critical power plant boilers.

The export business of the segment was flat and the main growth came on account of execution of a substantial order received in the previous year from an Indian refinery to supply it with boilers. During the year, increased order inflow has been recorded from food processing, pharma and certain other sectors. Boilers had better sales than last year by approximately 50% mainly because of a healthy opening order book. Unfortunately, the year-end order book is not sufficient to justify a repeat performance without a significant improvement in the market. Thermax Engineering Construction Company Limited, which is responsible for erection of boilers, had a correspondingly healthy performance.

The heating business had a decline from last year. Orders were mainly executed in the industry segments of food processing, textile, chemical, pharma and distillery. This business too, closed with a lower order book than at the start of the year.

While negative oil prices have had an impact on our boiler sales, our waste heat boilers help counterbalance that to a certain extent.

Several captive power plants were commissioned during the year including a gas turbine based plant for a public sector company in Tripura and a waste heat recovery based plant for a cement manufacturer. Overall, in terms of revenue, the power EPC business was about 33% lower than in the previous year, resulting in a corresponding reduction in the revenues of Thermax Instrumentation Ltd., which is responsible for power plant construction and erection. Owing to improved intake of captive power orders, repeat from customers in Africa and South East Asia, the outlook for Power business has improved for FY 15-16.

The energy segment includes the cooling business that makes use of vapour absorption technology. The cooling business also performed better than the previous year, mainly because of a noticeable growth in export revenue. One of the prestigious projects was for the supply of 8 x 8MW heat pumps for district heating in Copenhagen, Denmark. North America, the Middle-East, South East Asia have also shown encouraging



Heat recovery steam generators installed for conversion of an open cycle power plant to a combined cycle power plant in Tripura. Four such dual pressure unfired HRSGs generate 45 TPH hi-pressure and 11 TPH low pressure steam.

signs. Food, beverage and dairy sectors are prominent customers of our cooling business and new products were developed during the year specifically to cater to these sectors. This business has a plant in China and Thermax (Zhejiang) Cooling and Heating Engineering Company Limited is a wholly owned subsidiary of the company. During the year, despite a marginal increase in topline, this subsidiary turned the corner and made profits for the period ended 31st March, 2015, due to an improvement in margins. This is the first time since its inception in 2008 that the unit has crossed its break-even point. Though the Chinese economy is slowing down, the focus on energy efficiency and distributed generation is going to benefit the subsidiary. The cooling business, supported by the subsidiary, Thermax Europe Limited also did well in Europe by supplying district heating heat pumps in Northern European countries.

On the services side, the segment completed a major retrofit for a fertiliser plant and has contracts for O&M services to 34 power stations. Some of these power stations are in South East Asia and Africa.

The company's solar business established its presence as a reliable roof-top PV solution provider. The business won its first ever megawatt-sized order and completed the project during the year. Its solar thermal segment made inroads in the large automobile components industry for process heat requirements.

With the Government of India's extensive plans of setting up renewable energy projects over the next seven years, this business should witness a steady growth in the coming years.

Danstoker Group of companies & Rifox-Hans Richter GmbH (wholly owned European subsidiaries)

In the unfavourable economic conditions prevailing in Europe, the company's performance in FY 14-15 was subdued. It posted a revenue of euro 41 million (Rs. 272 crore), down from euro 64 million (Rs. 530 crore) last year. The year had a loss of Rs. 59 crore versus a profit last year of Rs. 12 crore.

A host of factors were responsible for Danstoker's negative performance: the Russian market, which is important to Danstoker, was adversely affected by the economic troubles flowing from the Ukraine crisis and low oil prices. As several under-utilised boiler manufacturing facilities in Europe faced bankruptcy and closure, the Danstoker Group was also impacted and its German subsidiary Omnicol Kessel und Apparatebau GmbH was placed under Administration. The exceptional loss of Rs 49 crore charged in the profit and loss account is on account of the Omnicol exit. In addition, Omnicol ran up a further loss of about Rs. 7 crore till it was placed under Administration. The drop in revenues is mainly on Omnicol's account (lower by Rs 118 crore). Due to the drop in oil & gas prices fewer orders were placed on Danstoker systems that use renewable fuel, and this also lowered revenues.

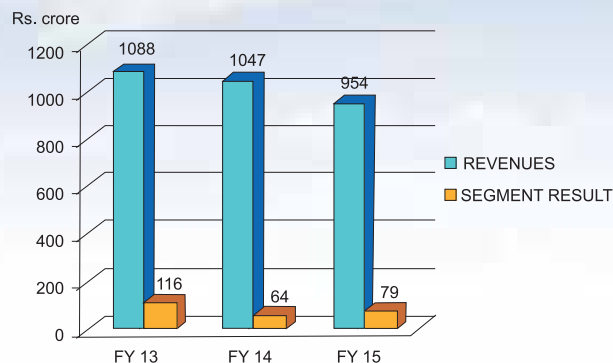
Boilerworks, the acquired subsidiary of Danstoker saw a steady growth with focus on revamp & retrofit and water tube boilers. Boilerworks is expected to contribute positively to Danstoker's future growth.

Danstoker continued to do well in Latin America. Besides focusing on diverse markets in continental Europe, the company also plans to increase its presence in the UK by placing more people and appointing a new service partner.

With the European situation improving, though slowly, the Danstoker Group is confident of improving its performance in FY 15-16.

Rifox did well and grew revenues by 32% to euro 3.6 million while making a small profit.

Environment segment analysis



The environment segment comprising air pollution control, water & wastewater solutions and chemical businesses accounted for 17.7% of revenues and had a profitability of 8.3% (6.1% last year).

Overall, the performance of this segment during the year has been sluggish with a decline in revenues.

It was a mixed year for the three businesses that constitute this segment. The air pollution control business, in a tough market has registered growth and gained turnkey projects that promise a positive outlook for the coming year. Water business of the company is still under stress, though its products division is performing well. While increase in revenue growth was modest for the chemical business, it registered improvement in profits.

The company's air pollution control business grew by expanding its existing capacities in core industries in the steel and energy sector. The business achieved a commendable revenue growth over the previous year, though margins have been under pressure because of many players chasing limited orders and also because fewer orders were concluded.

This business secured some prestigious turnkey projects including an order from an EPC major in Canada for dry sorbent injection type flue gas desulphurisation system. It successfully commissioned a fume extraction system of 2,40,000 m³/hour capacity for hot metal pooling at a leading steel company in Eastern India.

There are some projects in sectors like steel, power and cement at a conceptual stage, and their financial closure and execution could be expected in FY 16. The group's manufacturing facility at Solapur, Maharashtra, is well equipped to handle export and domestic orders meeting international quality standards.

The water and waste solutions business incurred an overall loss during the year, even though the product group continued to be profitable.

The water business has launched new products and solutions for treatment of water and wastewater including sewage to meet specific needs of customers and stringent pollution control norms.

The business will continue focusing on its efforts in operational excellence to optimise cost and improve competitiveness.

The chemical business had a profitable year though its revenue growth was modest. The substantial price drop in global crude had a negative impact on the oil field chemicals business. However, the ion exchange resin and construction chemicals businesses recorded good growth and performance.

As the major share of the resin portfolio of this business is in the international market, a brand new export oriented unit is being set up. The company has already acquired land for this at Dahej, Gujarat. The commercial production from this facility is expected to commence in FY 2017-18.

Thermax Inc., the US subsidiary, recorded a significant growth in its revenue from both the environment and energy segments, and profit after tax on a combined basis.

Other wholly owned subsidiaries

Thermax Onsite Energy Solutions Limited (TOESL)

TOESL earned a total income of Rs. 41 crore as against Rs. 18 crore in the previous year, on account of three new projects the company implemented this year. Profit after tax stood at Rs.1 crore (previous year, Rs. 2 crore). The initial stabilisation phase of the three projects resulted in higher operational costs, thereby making a dent in the profitability for the year.

A 35 TPH biomass boiler supplied to an industrial unit in the Republic of Congo. Part of a 4.1 MWe captive power plant, this turnkey project included installation and commissioning of the boiler integrated with the balance-of-plant.



This company has amended its depreciation policies and aligned them as per recommendations under the New Companies Act, 2013. The change in depreciation policy had an adverse impact of Rs. 98 lakh on the profit before tax (approximately Rs. 78 lakh on profit after tax) for the year.

The sharp collapse of global crude oil prices had an adverse impact on the company's market for green steam.

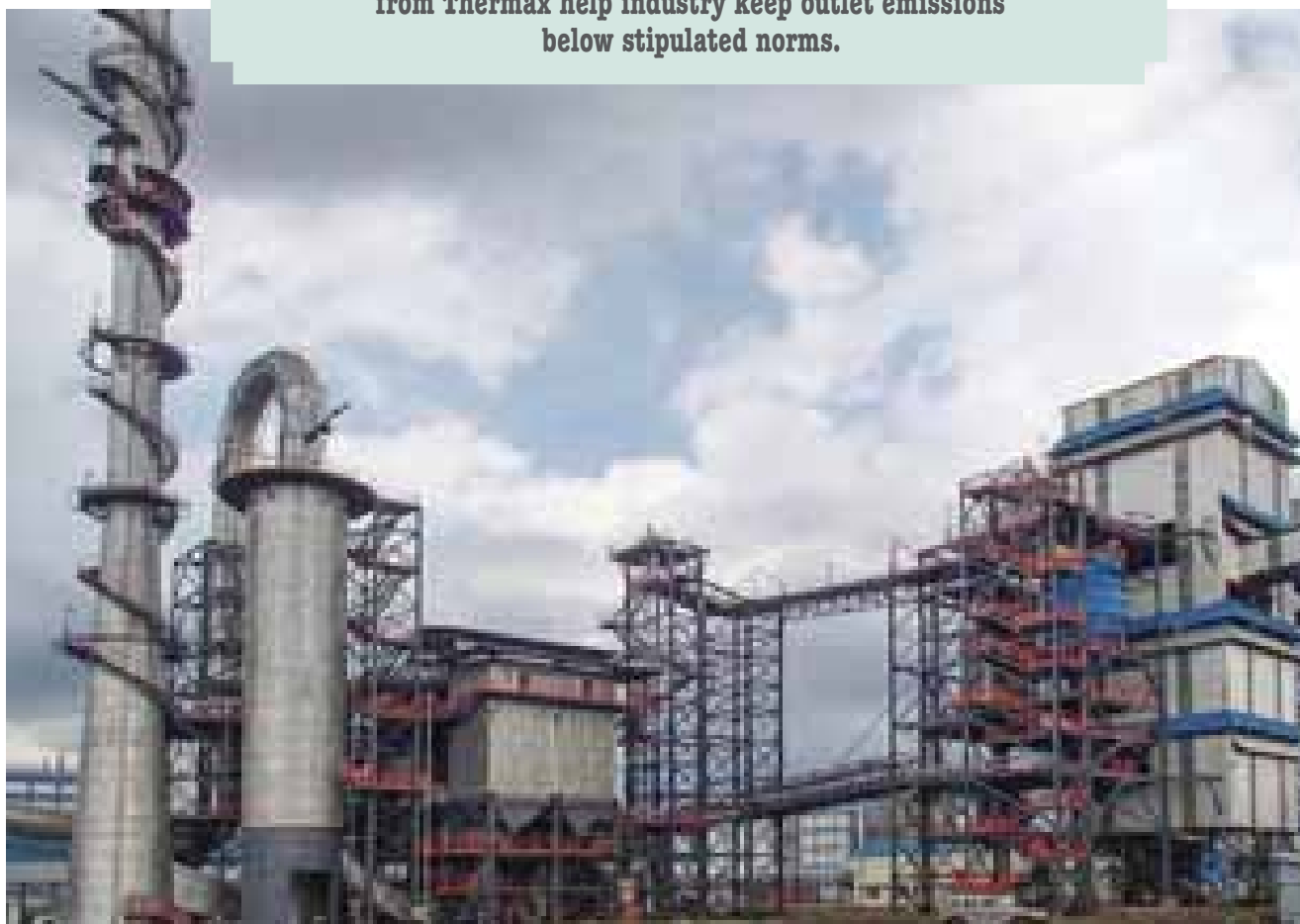
Though the market is volatile, the company expects to grow its revenue due to expected increase in capacity utilisation at the plants of the same customers.

Thermax Sustainable Energy Solutions Limited

The business prospects for this subsidiary continue to be unfavourable owing to the unviability of Certified Emission Reductions. The management has carried out a comprehensive review of its existing contractual obligations and future business potential.

As your company does not expect any meaningful recovery over the medium term, it has made a provision of Rs. 11 crore for diminution of investments in and receivables from this subsidiary.

A fume treatment centre installed by Thermax for a modern aluminum smelter plant in Orissa removes fluorides, tar and suspended particulate matter. Air pollution control systems from Thermax help industry keep outlet emissions below stipulated norms.



**Hot oil heaters
(11.33 MM Kcal/hour)
commissioned by Thermax
in Kuwait. Over the years,
Thermax has been supplying
such fired heaters for the
refineries and petrochemical
industries in the Middle East
and Africa.**

Joint Venture Subsidiaries

Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES)

During FY 2014-15, this joint venture company registered revenues of Rs. 46 crore (Rs. 17 crore, last year) and a loss of Rs. 124 crore.

In the prevailing difficult market conditions in the Indian power sector, the year saw the company beginning to generate revenues from manufacturing works undertaken for Thermax's boiler business. During the year, it also received two export orders from B&W PGG for detailed engineering, manufacturing and supply of select items for three pulverized coal-fired utility boilers for international projects, besides an export order for detailed engineering, manufacturing and supply of two smaller biomass fired units.

In the medium term, the company is hopeful of mitigating its losses, and becoming profitable once the Indian power sector gets activated and moves ahead with its long-delayed growth plans. It is expected



that this will also progressively restore the demand-supply balance.

Thermax SPX Energy Technologies Limited

This joint venture is also dependent on the power sector.

During the year, it earned revenues of Rs. 3 crore (Rs. 18 crore in the previous year). Loss after tax was Rs. 2 crore as against previous year's loss after tax of Rs. 45 lakh.

During the year, the company commissioned its second air cooled condenser (ACC) order; it involved design, engineering, manufacturing, supply, supervision of installation, erection and commissioning of ACC for a cement company, at its 25 MW and 10 MW thermal power plant.

Health, safety and environment measures

The company focused on safe operations in line with its commitment to improve its Health, Safety and Environmental (HSE) performance.

The Board continues to review the safety performance of the company every quarter. Safety performance is supported, reviewed and monitored at sub segment level by multi tiered safety committees, at each business level and at each project site level.

Several of the company's facilities were certified for their integrated safety and environment management systems: Chinchwad, Savli and Mundra Works were recertified as per OHSAS 18001: 2007 and ISO 14001:2004 by DNV; and TECC was awarded OHSAS 18001 by Bureau Veritas.

Internal and external safety audits and inspections were carried out regularly – 1,050 internal audits and 42 external audits were conducted in FY 14-15. Emergency management plans have been developed to deal

with any emergency at all manufacturing and project locations.

Safety training within the company cover employees at all levels, contractors, vendors and suppliers. These programmes have been regularly conducted even at the regional offices of the company. E-learning and licensing on HSE, introduced in 2013-14 has been successfully completed by 1,200 staff, 75% of the identified target group.

Human resources

The company continues with its dedicated efforts to identify talent and has been recognised for its exemplary people-related practices in the industry.

In its effort to educate all employees on Anti Sexual Harassment Policy at the workplace, the company has conducted awareness programme covering employees across different locations through class room sessions and awareness mailers. It is now a part of the company's orientation programme for lateral hires as well as new recruits.

HR is also actively participating in the efforts to support the company's internationalisation agenda with specific focus on South East Asia.

Thermax has won the 'L&D Team of the Year' Award at the Annual Chief Learning Officers Summit in Mumbai

A solar photovoltaic installation from Thermax in Chennai. It is part of a pilot project launched by MNRE to connect rooftop solar PV projects to the power grid.





Architect's plan of Thermax's manufacturing facility in Indonesia. Envisaged as a regional manufacturing hub for ASEAN countries, the facility is to be ready by the end of FY 2017.

in October 2014. The award recognises the company's efforts in various aspects of Human Resources in the space of learning interventions, leadership development and talent management.

Risk management

Operating in the energy and environment segments, as a part of the capital goods industry, the company has a wide - ranging portfolio of products and a growing project business catering to the utility requirements of diverse business houses.

As mentioned in last year's report, considering the diversity of products and its global project business, the company already had in place a broad Risk Management Framework, covering the core areas of its business operations.

With the changes introduced in the new Companies Act, 2013 and the Listing Agreements, it was necessary to create a more structured mechanism for risk management. Based on the existing and model frameworks, the company has updated its Risk Management Framework. The framework broadly consists of risk management structure and risk management process.

By way of a formal structure, the company formed a Risk Management Council, consisting of business and corporate function heads. The Council meets four times a year and in turn reports to the Risk Management Committee of directors. Based on the report of the council, the Risk Management Committee will review the process twice a year and submits its own report to the Board of Directors.

The risk management process consists of risk

identification and assessment; risk measurement, mitigation and monitoring; and risk reporting.

The Risk Management Council of the company has carried out a detailed review of key risks facing Thermax, its impact on strategic decisions and mitigation measures. The review involved identification of key changes in the external environment which have significant bearing on some of these risks and the interplay of these risks and strategic initiatives of the company.

Based on these reviews, certain risks have been prioritised, mitigation measures put in place and their effectiveness is continuously reviewed.

Continued slowdown in domestic economy

The slowdown has significantly affected order intake of the company operating in the capital goods sector, resulting in pressure on margins, cash flow and growth.

The risk is being mitigated through value engineering and better sourcing, thereby enhancing competitiveness of the company. Further, the two large project divisions have implemented the recommendations of business improvement projects (Project Ascent and Project Transcend). This has helped in improving business processes and operational efficiency and enhanced competitiveness.

Thermax's containerised water treatment and purification plant being installed at a customer site in Jordan. These containers are useful for remote locations, oil fields, power and chemical industries, mining and construction sites.

Most importantly, the focus on overseas markets has greatly reduced the company's dependence on the domestic capital goods demand cycle.

Tightening of loan disbursement by banks and the risk of customer defaults

The increased level of bank NPA, especially in public sector banks, has radically reduced the profits of some of these banks. The total NPA as on 31st March 2015 was Rs. 2,39,500 crore. This is reflected in the sluggish credit growth to the commercial sector at 10.2% in March '15.

The banks have either reduced their exposure in sectors, particularly power, or increased the lending



rate. The slowdown of the economy and tightening of credit by the banks has increased the risk of default in payments by customers.

As a mitigating action, the company has a due diligence process for large orders and accepts appropriate payment terms to largely protect against payment default.

During the execution phase, the company has a well established process of continuous monitoring of accounts receivable and, constant interaction with customers at the highest level. All commitments are reviewed every quarter. Further, it follows a prudent provisioning policy to safeguard against financial reporting related risks.

Geo-political risk: sharp drop in crude oil prices, political instability in certain markets

The sharp drop in crude oil prices from USD 120 in May 14 to USD 59 in May 15 has affected the economies of oil producing countries in the Middle East, Nigeria, etc. – markets forming part of the company's selective internationalisation strategy.

Further, the risk of terrorism has spread to a large part of the Middle East and North and West Africa and security risk has become high in certain markets like Yemen.

The manufacturing facility of the joint venture TBWES, besides undertaking work for Thermax's boiler business, has received export orders from the American parent for detailed engineering, manufacturing and supply of select items for utility boilers for international projects.



By way of mitigation, the company has adopted a cautious approach before venturing into any country. The political, financial and regulatory environment of a country is assessed with the help of external consultants. The scope of contracts are reviewed with reference to associated risks and accepted only if it meets the company's norms. After receipt of an order, the company has a well defined process of continuously monitoring projects to manage cash flow risks.

Currency volatility

The economies in the eurozone and Japan continue to be weak despite the quantitative easing to boost the economies. Growth of the Chinese economy is expected to increase at single digit.

The euro as on 31st March 15 was 1.0732 USD/euro as against 1.3704 on March 14. Similarly the yen was 119.93/USD on March 15 as against 102.01 on March 14. Such volatility in the currency market has exposed the company to the risk of fluctuations in exchange rate.

This risk level has also increased due to its strategic initiative of increasing presence in international business including setting up of entities in various countries in Africa and South East Asia.

To mitigate the risk, the company has a well defined policy of hedging which is founded on the principle of prudence.

A formal Risk Management Policy approved by the company is placed on its website.

Internal controls

The company has an internal control mechanism to ensure adequate safeguards and processes to address the evolving requirements of its divisions as they conduct large and varied businesses in global markets. These procedures facilitate efficient use and protection of the company's financial and non- financial resources.

Key controls have been identified with respect to critical areas such as project cycles, operation & maintenance and customer support. Through such measures, the

company meets the diverse challenges of its various business divisions by delineating and elaborating specific controls critical for their operations. The identified controls are further classified under the categories of automated and manual, and based on a comprehensive audit, their effectiveness and adequacy is determined.

Internal controls are reviewed by Internal Audit on a periodical basis. All significant and material observations emerging out of internal audit are regularly reported to the Audit Committee of the Board and follow-up measures are taken.

Cautionary statement

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.



REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Thermax has been exploring multiple models for the past seven years through its Foundation (TSIF) to improve the educational landscape. These involve direct and indirect support, partnering with governments, NGOs and independent initiatives to bridge the inequity gap in education.

Educational Initiatives

Municipal Schools

The first school, K.C. Thackeray Vidya Niketan (KCTVN) PMC English Medium School, has for the past two years achieved a 100% pass percentage in the SSC examination. Over 70% students scored a first class and students getting a distinction went up from 22% to 34%. They also scored better than the state average.

KCTVN school has been selected to be part of the global network of Ashoka Changemaker Schools (ACS). These schools identify, connect and support innovative schools around the world and equip young people with empathy, teamwork, leadership and creative skills to work successfully in rapidly changing environments.

Additionally, TSIF has also established an Alumni Support programme so that our students not only complete their 10th Standard, but are supported till they secure a stable livelihood to bring them out of the poverty cycle.

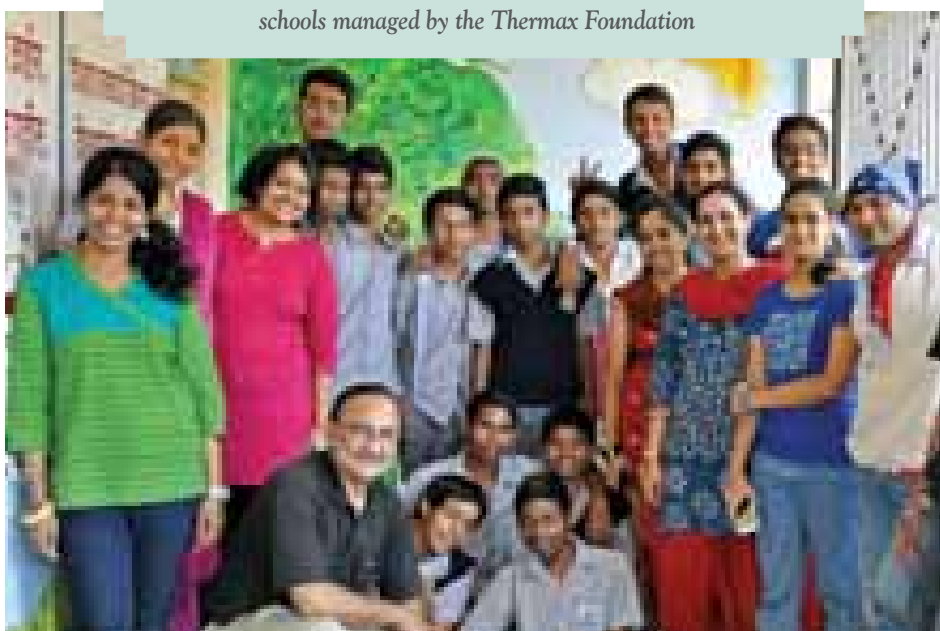
The partnership which began with one school in one Municipal

Corporation (Pune) in 2007, has now grown to six schools in two Municipal Corporations (Pune & Pimpri-Chinchwad), catering to over 2,100 children. The PMC and PCMC are keen that we should take up more schools under the Public Private Partnership.

Leadership Institute for Teachers (LIFT)

TSIF believes and demonstrates that it is possible to get excellent results with children from low-income communities through teachers who care, who know how to teach and who create an appetite for learning. TSIF partnered with the local government to set up a year-long professional development programme for teachers

Volunteers, students and teachers after painting a mural at one of the schools managed by the Thermax Foundation





A special session at the residential tribal school run by Shashwat at Aghane village in Pune District.

Supporting Organisations Working in the Educational Field

TSIF's work is mainly concentrated in the urban setup of Pune city. Through our work we were often unable to reach out to children in other parts of the country and also street children, physically / mentally challenged children, children of commercial sex workers and children from naxalite / tribal areas. After rigorous evaluation, TSIF decided to support some of these organisations that are doing exemplary work in education.

Teach for India (TFI)

Teach For India is a nationwide movement of outstanding college graduates and young professionals who commit two-years to teach full-time in under-resourced schools and who will become lifelong leaders working from within various sectors towards equity in education. TSIF has been financially supporting Teach for India which now has fellows in low-income municipal and private schools in Mumbai, Pune, Delhi, Hyderabad, Chennai, Ahmedabad and Bengaluru. TFI has 910 Fellows and 660 Alumni working towards eliminating educational inequity.

Parivaar, Kolkata

For over 10 years, Parivaar has worked for the welfare and development of children, highly vulnerable to exploitation and trafficking – orphans, street children, abandoned children, and children from tribal areas. Currently Parivaar has 915 resident children including 35 from highly impoverished tribal pockets of Singhbhum in Jharkhand. TSIF has partly funded the construction of Parivaar's 59,000 sq ft building – Amar Bharat Vidyapeeth in 2013. Thermax has also decided to partly fund their operational expenses from 2014-15.

in government schools and a select few low-income private schools to strengthen the public education system in the city. This program called 'Leadership Institute For Teachers (LIFT)' is designed, supported and implemented entirely by an in-house team at TSIF.

Since 2013, the LIFT team has worked with over 130 teachers across 40 schools making an impact on close to 5,200 children in PMC. While last year it worked only in Primary English Medium Schools, in the coming year it intends to work with around 100 teachers across PMC primary, kindergarten and Marathi medium schools. The idea of LIFT, in the short run, is to advance the skills of teachers in the classrooms and change their mind set. In the long run, we hope to work alongside government training institutions to strengthen their capacities. With each passing year, as a result of the LIFT experience, we record a positive impact on student learning outcomes across PMC classrooms and we see teachers who are now more inspired to teach and build more joyful classrooms for their students.



Participants at a LIFT training session for teachers

Shoshit Seva Sangh (SSS), Patna

SSS together with another NGO, established Shoshit Samadhan Kendra (SSK), a completely free English medium residential school for the children of Musahars, landless labourers who have been living in grinding poverty for centuries. Students are provided boarding, lodging, clothes and healthcare. In December 2013 SSK acquired CBSE affiliation for the school. To help SSS provide better facilities to the children and to help them achieve their long-term vision, TSIF partly funded the construction of the school building.

Shashwat, Ambegaon, Maharashtra

This is a grassroots initiative developed in response to the displacement of Koli Mahadeo, Thakar and Katkari tribal communities by the construction of the Dimbhe dam that submerged 11 villages and destroyed cropland in another 13. TSIF is helping to meet the operational expenses of Shashwat's residential primary school for tribal children and their tribal girls' hostel. Around 60 tribal children study at the school in Aghane village and 22 tribal girls are pursuing middle level and secondary education at the hostel at Dimbhe village.

Jagruti School for Blind Girls, Maharashtra

At Jagruti, part of the National Foundation for Blind, 147 girls from rural Maharashtra are given education, training and employment. TSIF partly funded the construction of a model school complex, which has educational, rehabilitation and recreation facilities to improve the quality of life of the visually handicapped.

Affirmative Action, Skill Development and Employability

Thermax realises the importance of bridging the existing skill gap between the industrial requirement in multiple sectors and unemployed youth.

Skill Development Initiative

Thermax through TISE, Zensar Foundation, SGBS Unnati Foundation, a Bangalore based NGO and PMC set up a vocational Skill Development Centre in Pune in 2014 to enable young

underprivileged people acquire skills and find jobs. The Centre operates from PMC premises and trains youngsters in the age group of 18-30 years. The programme is free of cost and it is funded by TSIF and Zensar Foundation.

The satisfaction of employers with regard to the students being trained at Unnati has been very positive. Employers source Unnati graduates at their organisations batch after batch. Recently, a student from the 1st batch called Ravi Shelke was given the 'Best Employee' award by Westside, Pune. Two girl students from the 5th batch have been employed by Zensar Foundation, thus demonstrating the Foundation's belief in the efficacy of the programme. Unnati is trying to address the major challenge of sourcing students.

Affirmative Action

Energising Accelerated Growth and Leadership Excellence (EAGLE), is a joint effort between industry and academia at College of Engineering, Pune (COEP) to equip engineering students with critical life skills, the right attitude and help them contribute early on in their careers. During the 2nd year TSIF along with other industry partners continued its support for the EAGLE programme catering to 261 students.

As a signatory to the CII Code of Conduct on Affirmative Action, Thermax through TSIF, sponsored the 26th batch of the finishing school benefitting 35 students from the SC/ST background. This is a 60 hour module that has been designed by industries including Thermax and Symbiosis ELTIS that trains SC/ ST participants in industry preferred soft skills. This programme has helped the students to be more employable. Thermax has employed five candidates through this programme which demonstrates Thermax's belief in its efficacy.

EMPLOYEE INVOLVEMENT

Thermax also encourages its employees and their family members to be involved in various social causes and tries to provide them the opportunity to do so.

During the *Joy of Giving Week*, in October, Thermax collected blankets, towels, bedsheets which were handed out to Kinara Vriddha and Matimand Seva Trust at Chinchwad, Pune.

In *Colour My World*, 50 participants including Thermax employees, their children, teachers and students from K.C. Thackeray School painted a 120 feet mural at Smt. Anusyabai Namdeo Waghare English Medium School, Pimpri.

8 teams of employees and kids from the schools run by Thermax and Akanksha participated in Futsal, a miniature form of football of 10 minute matches and eight players per team.

Thermax raised about Rs.65,000 in *India Giving Challenge* organised by Give India to raise funds for Akanksha Foundation, the NGO which it supports.

Since 2007, more than 1,800 employees have registered themselves for the Payroll Giving programme and have contributed over Rs. 81 lakh for the causes of their choice.

Since 2007, Thermax has been supporting Akanksha in the Standard Chartered Mumbai Marathon and has raised over Rs. 56 lakh for it till date, which includes around Rs.8.5 lakh raised during the 2015 marathon.



CORPORATE GOVERNANCE REPORT



Corporate governance is about commitment towards maximising stakeholder value on a sustainable basis. Good corporate governance is a key driver of sustainable corporate growth and creating long-term value for stakeholders. Ethical business conduct, integrity and commitment to values, emphasis on transparency and accountability which enhance and retain stakeholders' trust are the hallmark of good corporate governance.

The Companies Act, 2013 aims to bring governance standards at par with those in developed nations through several key provisions such as composition and functions of Board of Directors, Code of Conduct for independent directors, performance evaluation of directors, class action suits, auditor rotation and independence, and so on. The new Act emphasises self-regulation, greater disclosure and strict measures for investor protection.

Your company is committed to adopt the best practices in corporate governance and disclosure. It is our constant endeavour to adhere to the highest standard of integrity and to safeguard the interest of all our stakeholders.

Company Philosophy

Thermax Limited continues to be committed to high standards of corporate governance. In all its operations and processes, the company adheres to stringent governance norms so that its stakeholders can expect superior and sustained financial performance.

Your company's Board has empowered key management officials to implement policies and guidelines related to the key elements of corporate governance – transparency, disclosure, supervision and internal controls, risk management, internal and external communications, high standards of safety, accounting fidelity, product and service quality. It also has in place a comprehensive business review processes.

Compliance of Corporate Governance

I. Board of Directors and Procedures

Currently, the Board of your company comprises eight directors – three non-executive promoter directors, four independent directors and the managing director.

A) Composition of the Board

The table gives the composition of the Board and *inter alia* the outside directorships held by each of the directors of the company during the financial year 2014-15.

Name of the director	Pecuniary or business relationship with the company	Relationship with other directors	Number of other Directorships @	Committee position@		Number of shares held in the company
				Chairperson	Member	
NON-EXECUTIVE PROMOTER						
Anu Aga	None except**	Yes	-	1	1	# 29,06,250
Meher Pudumjee	None except**	Yes	1	2	3	\$ 36,35,190
Pheroz Pudumjee	None except**	Yes	1	2	4	--
INDEPENDENT						
Dr. Raghunath A. Mashelkar	None	No	5	1	11	--
Dr. Valentin A. H. von Massow	None	No	1	1	3	--
Dr. Jairam Varadaraj	None	No	8	1	6	--
Nawshir Mirza	None	No	7	10	6	--
EXECUTIVE						
M. S. Unnikrishnan	N.A.	No	2	--	5	--

@ Excludes private, foreign & Section 8 companies.

\$ Meher Pudumjee is a joint Trustee of the 36, 35,190 shares held by the various Thermax Employees Welfare Trusts.

Anu Aga is a joint Trustee of the 29, 06,250 shares held by the Thermax ESOP Trust.

** During the year, the company has paid Rs. 11, 25,000/- to Mrs. Aga and Rs. 4, 67,600/- to Mrs. Pudumjee as rent for premises taken on lease. The company has maintained security deposit of Rs.40, 00,000/- with Mrs. Aga for the premises taken on lease. The company has also paid Rs.19, 88,000 to Pheroz Pudumjee, being rent for premises taken on lease and Rs. 18, 00,000/- as security deposit.

Non-executive directors are entitled to reimbursement of expenses incurred in performance of the duties as directors, members of committees appointed by the Board.

According to Section 2(47), 149 (6) of the Companies Act, 2013 and the Rules thereunder, and the Clause 49 of the Listing Agreement, an independent director signifies non-executive director of the company,

- who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- apart from receiving director's remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither himself nor any of his relatives —
 - holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm.
 - holds together with his relatives two per cent or more of the total voting power of the company; or
 - is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - is a material supplier, service provider or customer or a lesser or lessee of the company
- who is not less than 21 years of age.

The company has appointed independent directors and issued appointment letters to them. The terms and conditions of their appointment is uploaded on the company's website.

Independent Directors' meeting

During the year under review, the independent directors met once on March 6, 2015 *inter alia* to discuss evaluation of the Board and evaluate content / timelines of information flow to effectively perform their duties.

Nawshir Mirza, Dr. Jairam Varadaraj and Dr. Valentine A.H.von Massow were present at the meeting.

As per the disclosures received from the directors, none of the directors serve as members of more than 10 committees nor are they chairman/chairperson of more than 5 committees, as per the requirements of the Listing Agreement. The Board met five times during the financial year 2014-15 on the following dates: May 27, 2014, July 22, 2014, November 4, 2014, January 30, 2015 and March 6, 2015. The maximum time gap between any two sequential meetings was not more than four calendar months.

B) Details of remuneration

• Non-executive directors

In recognition of the contribution by the non-executive directors, especially in adherence to the corporate governance policies & practices, the Board had adopted guidelines based on the then regulatory provisions, to remunerate the directors by way of commission.

There have been substantial changes in the regulatory framework in view of the introduction of the Companies Act, 2013 and revised Listing Agreement with the Stock Exchanges. In view of the above, during 2014-15, the Nomination & Remuneration Committee (NRC) of the Board has framed a policy on selection and appointment of directors and their remuneration. Based on the recommendation of the NRC, the Board has approved the policy. The remuneration of directors for the year 2014-15, is based on this policy which broadly consists of :

1. Criteria for selection and appointment of directors and their remuneration
2. Criteria for selection of Managing Director & CEO and remuneration
3. Remuneration policy for the senior management

4. Method of performance evaluation

As per the policy, the non-executive directors, apart from receiving sitting fees for attending board/ committee meetings, will be entitled to receive a commission on the net profits of the company.

The NRC may recommend payment of commission on uniform basis or may recommend higher commission to directors who are the chairman of the Board or other committees, taking into consideration the higher responsibilities shouldered by them.

Furthermore, as per the policy, the NRC while determining the quantum of commission may consider membership of the directors on the committees and their attendance at various meetings.

The NRC has prepared a process for evaluation of directors. The evaluation process broadly consists of peer reviews and self-evaluation. The chairperson of the Board also carried out an evaluation of the board and various committees. An independent directors' meeting was held to review the functions of the Board and the chair as well as other non-executive directors.

Based on the above and on the recommendation of the NRC, the Board has approved payment of remuneration of directors.

• Managing Director & CEO

The company's Board at present comprises one executive director, namely, M. S. Unnikrishnan, Managing Director & CEO. The remuneration of the managing director is governed by the agreement dated May 29, 2012, between the company and Mr. Unnikrishnan, which has been approved by the Board of Directors and the shareholders. The remuneration broadly comprises fixed and variable components i.e. salary, allowances, perquisites and other benefits. The variable components comprises performance bonus. The Nomination and Remuneration Committee has recommended a remuneration policy for appointment of directors and their remuneration which has been approved by the Board. As per the policy while determining remuneration payable to the Managing Director & CEO following factors are considered:

- a. the relationship of remuneration and performance benchmarks is clear;
- b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the company and its goals;
- c. responsibility required to be shouldered by the MD & CEO, the industry benchmarks and the current trends;
- d. the company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

C) Attendance and remuneration of each director on the Board during the financial year 2014-15

Name of the director	Total attendance at board meetings	Attendance at the AGM held on July 22, 2014	Sitting fees *	Salary and perquisites	Commission†	Total remuneration
			Amount in Rs.			
Meher Pudumjee	5	Yes	4,90,000	NA	35,00,000	39,90,000
Anu Aga	5	Yes	3,90,000	NA	13,00,000	16,90,000
Dr. Raghunath A. Mashelkar	4	Yes	2,70,000	NA	11,10,000	13,80,000
Dr. Valentin A. H. von Massow	5	Yes	4,70,000	NA	23,50,250@	28,20,250@
Tapan Mitra \$	2	Yes	2,30,000	NA	--	2,30,000
Pheroze Pudumjee	5	Yes	8,00,000	NA	15,00,000	23,00,000
Dr. Jairam Varadaraj	4	Yes	5,10,000	NA	14,40,000	19,50,000
Nawshir Mirza	5	Yes	5,10,000	NA	30,00,000	35,10,000
M. S. Unnikrishnan	5	Yes	NA	2,51,32,720	80,00,000	3,31,32,720

NA = Not applicable

\$ Tapan Mitra ceased to be a director of the company w.e.f. July 22, 2014.

* Sitting fees include payments for Board appointed committee meetings also.

† The commission proposed for the year ended March 31, 2015 will be paid, subject to deduction of tax, and as per the provision of the Companies Act, 2013.

@ 35,000 euro (Rate as on March 31, 2015 Rs. 67.15 per euro)

D) Board Agenda

Agenda papers including draft minutes are circulated well in advance of Board meetings to the members. It contains vital and adequate information facilitating deliberations at the meeting. These are approved at the next meeting after incorporating changes, if any, which are affirmed by the chairperson.

As a process of governance, the agenda also includes a review of the action taken / pending on the decisions of the Board of previous meeting(s).

Information placed before the Board of directors

The following information forms part of the Board meeting agenda papers:

1. Annual Business Plan which includes capital expenditure and manpower budget. The capital expenditure proposals sanctioned and actual amounts incurred are reported on a quarterly basis. Reasons for variance between the budget and actuals are also explained.

2. Information on recruitment of senior officers just below the Board level, including appointment or removal of chief financial officer and company secretary.
3. Report on matters relating to foreign collaborations/joint-ventures/acquisitions/ mergers/ opening of overseas offices, etc.
4. A report on treasury operations. This report comprises the investment portfolio, details of foreign exchange exposures and steps taken to mitigate risks of adverse exchange movements, if material.
5. Report on statutory compliance, show cause notices, penalties, suits filed by/against the company and shareholders grievances, etc.
6. Quarterly financial results for the company and for the group companies with analysis of performance.
7. Minutes of the meetings of Board appointed committees.
8. Significant labour problems and their proposed solutions, wage agreements, etc.
9. Safety issues - fatal or serious accidents in the plants, dangerous occurrences, any material effluent or pollution problems.
10. Any material default in financial obligations to and by the company.
11. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.

II. Board Committees

The Board at present has eight committees:

- 1) Audit Committee, 2) Nomination & Remuneration

Committee, 3) Stakeholders' Relationship Committee, 4) Borrowing and Investments Committee, 5) Strategic Business Development Committee, 6) International Investment Committee, 7) Corporate Social Responsibility Committee, and 8) Risk Management Committee. The Board constitutes the committees and defines their terms of reference. The members of the committees are co-opted by the Board.

Pursuant to the provisions of the Companies Act, 2013 along with the Rules made thereunder and Circular No. CIR/CFD/POLICY CELL/2/2014, dated April 17, 2014, issued by the Securities & Exchange Board of India (SEBI), which is effective from 1st October, 2014, at the Board Meeting held on January 30, 2015 the company has reconstituted the select committees and also changed the Terms of Reference (TOR) of each committee in order to give effect to the revised regulations.

A. Audit Committee

The committee presently comprises four members, all non-executive directors. The chairman of the committee, Nawshir Mirza, is a Fellow of The Institute of Chartered Accountants of India. Pheroze Pudumjee, Dr. Jairam Varadaraj and Dr. Valentin A. H. von Massow are the other members of the committee. Tapan Mitra has ceased to be a member of the committee w.e.f. July 22, 2014.

The committee met six times during the financial year 2014-15 on April 9, 2014, May 26, 2014, July 21, 2014, August 29, 2014, November 3, 2014 and January 29, 2015. Details of meetings attended by the members are as follows:

Committee members	Category	Number of meetings attended
Nawshir Mirza	Independent	6
Pheroze Pudumjee	Non-executive Promoter	6
Dr. Jairam Varadaraj	Independent	4
Dr. Valentin A. H. von Massow *	Independent	1
Tapan Mitra	Independent	3

* inducted on January 29, 2015

The chairman of the committee was present at the 33rd Annual General Meeting of the company held on July 22, 2014.

The constitution of the committee meets with the requirements of section 177 of the Companies Act, 2013.

The committee reviews various aspects of internal controls, internal auditors' reports on a regular basis. The requirements enumerated under Clause 49 of the Listing Agreement and as amended from time to time are also reviewed by the committee.

The internal auditor presents to the committee, observations and recommendations of the auditors and also on issues having an impact on control system and compliance. The chief financial officer, chief internal auditor and the representatives of statutory auditors are permanent invitees and attend all the meetings of the committee. The compliance officer who is a Member of the Institute of Company Secretaries of India is the secretary to the committee.

The company has prepared the Audit Committee charter defining its role, responsibilities, powers and processes. The Charter is available on the company's website i.e. www.thermaxglobal.com

The terms of the charter broadly include:

- Oversee the processes that ensure the integrity of financial statements.
- Oversee the processes for compliance with laws and regulations to ensure their effectiveness.
- Approve transactions with related parties.
- Enquire into reasons for any default by the company in honouring its obligations to its creditors and members.
- Oversee the quality of internal accounting controls and other controls.
- Oversee the quality of the financial reporting process, including the selection of accounting policies.
- Ensure the independence of the external auditor.

- Recommend to the Board the appointment and remuneration of an auditor.
- Scrutinise inter-corporate loans and investments.
- Monitor the end use of funds raised through public offers.
- Conduct the valuation of any undertaking or asset of the company.
- Oversee the internal audit function and approving the appointment of the chief internal auditor.
- Bring to the notice of the Board any lacunae in the Code of Conduct.
- Review with the CEO and the CFO of the company the underlying process followed by them in their annual certification to the Board.
- Approve the appointment of the CFO.
- Recommend to the Board the appointment and remuneration of the secretarial and cost auditors.

B. Nomination & Remuneration Committee

The committee presently comprises four members, all non-executive directors. Dr. Jairam Varadaraj (Chairman), Anu Aga, Dr. Valentin A. H. von Massow and Meher Pudumjee (*inducted on March 6, 2015*) are the other members of the committee.

The committee has met twice during the financial year 2014-15 on May 26, 2014, and November 3, 2014. Tapan Mitra and Pheroze Pudumjee have resigned as a member of the committee w.e.f. July 22, 2014 and w.e.f. November 4, 2014 respectively. Details of meetings attended by the members are as follows:

Committee members	Category	Number of meetings attended
Dr. Jairam Varadaraj	Independent	2
Anu Aga	Non-executive Promoter	2
Dr. Valentin A. H. von Massow	Independent	1
Pheroze Pudemjee	Non-executive Promoter	1
Tapan Mitra	Independent	1

The broad terms of reference of the committee:

- Evaluate the performance including extension of contract, of executive directors (EDs). The NRC would set the performance measures of EDs and evaluate their performance annually.
- Recommend the remuneration for the EDs based on evaluation.
- Evaluate the performance including extension of the employment of senior management (one level below the EDs).
- Recommend the remuneration of the senior management based on the evaluation.
- Evaluate the need for EDs and recommend their appointment.
- Identify all critical positions in the company among the EDs and senior management and review progress of succession plans.
- Recommend to the Board the policy relating to the remuneration of directors and key management personnel.
- Lay down criteria for selecting new non-executive directors (NEDs) based on the requirements of the organisation.
- Carry out evaluation of the performance of the NEDs and defining the system for linking remuneration of NEDs to evaluation.
- Review succession plan for those NED positions that are likely to be vacant during the year.
- Recommend to the Board the appointment and removal of directors.
- Review and approve annual compensation of the organisation, including benchmarking with other companies.
- Ensure periodic meeting of the senior management with the directors.
- Commission and review employee engagement surveys.
- Review and approve the Code of Conduct for the company.
- Review and approve the disclosures of the committee in the annual report.
- Devise a policy relating to human resources, including diversity.
- Review and modify these terms of reference on a need basis.
- Any other matter as may be assigned by the Board of Directors.

C. Stakeholders' Relationship Committee

The committee comprises three members, Pheroze Pudemjee (Chairman), Meher Pudemjee and M. S. Unnikrishnan. The company secretary is the compliance officer.

The committee reviews the performance of Karvy Computershare Private Limited, the company's Registrar and Transfer Agent (RTA) and also

recommends measures for overall improvement for better investor services. The committee specifically looks into complaints of shareholders and investors pertaining to transfer/ transmission of shares, non-receipt of share certificates, non-receipt of dividend, etc.

Procedure of share transfer

The Board has empowered the committee to, *inter alia*, approve share transfers to reduce the lead-time for processing transfer of shares lodged. The committee has delegated powers to the RTA to approve share transfer, transmission and transposition. The committee usually meets once a quarter to review the activities of the RTA. The committee met five times during the year to *inter alia* resolve complaints to the satisfaction of the investors.

The broad terms of reference of the committee:

1. Approve and register transfer and/ or transmission of shares,
2. Approve dematerialisation and rematerialisation of company's shares,
3. Affix or authorise affixing of the common seal of the company on the share certificates of the company,
4. Look into the shareholders'/ investors'/debenture holders'/security holders' grievances and redress them,
5. Do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

As per the certificate issued by the RTA, 135 complaints were received from shareholders/investors during the financial year ended March 31, 2015.

Summary of complaints during 2014-15:

Nature	Opening balance	Received	Resolved	Closing Balance
Non-receipt of dividend	Nil	129	129	Nil
Letters from Statutory Authorities	Nil	6	6	Nil

All complaints were resolved to the satisfaction of the

shareholders and no complaints remained unattended / pending for more than 30 days as on March 31, 2015.

Necessary action is normally taken within ten days from the date of receipt of the communication.

During the year the RTA processed 5 physical transfers comprising 3,005 number of equity shares.

D. Borrowing and Investments Committee

The committee comprises three members, Meher Pudumjee (chairperson), Pheroze Pudumjee and M. S. Unnikrishnan.

During the financial year 2014-15, the committee met five times i.e. on June 6, 2014, September 16, 2014, November 19, 2014, November 25, 2014 and January 28, 2015. Details of meetings attended by the members are as follows:

Committee members	Category	Number of meetings attended
Meher Pudumjee	Non-executive Promoter	5
Pheroze Pudumjee	Non-executive Promoter	5
M. S. Unnikrishnan	Executive	3

The terms of reference of the committee are as follows:

1. Review the treasury operations of the company.
2. Lay down funds deployment policy and ensure that investments are made accordingly.
3. Issue standard DJU's and parent company guarantees for joint venture subsidiaries, which have already been accepted and approved by the Board of Directors of the company.
4. Consider and approve availing of short term borrowing/credit facilities (term less than 3 years) up to Rs. 100 crore/year, by the company and its subsidiary companies.
5. Issue letters of comfort/corporate guarantees up to Rs.100 crore/year, on behalf of subsidiary companies.

E. Strategic Business Development Committee

The primary objective of this committee of the Board is to review and guide the strategic initiatives of the company.

The committee comprises five members, Dr. Valentin A. H. von Massow (chairman), Meher Pudumjee, Pheroze Pudumjee, M. S. Unnikrishnan and Dr. Jairam Varadaraj.

The committee met twice during the financial year 2014-15 on July 23, 2014 and November 3, 2014 where all members were present.

The terms of reference of the committee are as follows:

1. Review and recommend corporate strategy, including corporate brand and M&A.
2. Review and direct SBU, subsidiary and JV level strategies as well as selective SBU plans and business initiatives.
3. Initiate and impart guidance on best practices on across the board, e.g. manufacturing, new markets, branding, etc.
4. Ensure review of the key strategic performance indicators and milestones established by the company.

F. International Investment Committee

The committee comprises three members, Pheroze Pudumjee (chairman), Dr. Valentin A. H. von Massow and M. S. Unnikrishnan. Tapan Mitra has resigned as a member w.e.f. July 22, 2014.

The committee met three times during the financial year 2014-15 on July 21, 2014, September 17, 2014 and November 4, 2014.

Details of meetings attended by the members are as follows:

Committee members	Category	Number of meetings attended
Pheroze Pudumjee	Non-executive Promoter	3
Dr. Valentin A. H. von Massow *	Independent	1
M. S. Unnikrishnan	Executive	3
Tapan Mitra	Independent	1

**inducted on July 22, 2014*

The terms of reference of the committee are as follows:

1. Monitor and review the performance with respect to the purpose and intent of its business objectives.
2. Review human resources development and requirements.
3. Review business operations & strategy implementation of new ventures / businesses.
4. Approve appointment of Board members.
5. Formulate strategy with respect to overseas initiatives (including setting up of a company/ offices and for acquisition/ takeover/ amalgamation).
6. Review annual performance.
7. Review the strategic business plan annually.

G. Corporate Social Responsibility (CSR) Committee

The committee comprises four members, Anu Aga (chairperson), Meher Pudumjee, Dr. Raghunath Mashelkar and Nawshir Mirza. The committee met two times during the financial year 2014-15 on June 14, 2014, January 29, 2015.

Details of meetings attended by the members are as follows:

Committee members	Category	Number of meetings attended
Meher Pudumjee	Non-executive Promoter	2
Anu Aga	Non-executive Promoter	2
Dr. Raghunath Mashelkar	Independent	2
Nawshir Mirza *	Independent	1

*inducted on January 29, 2015

The terms of reference of this committee:

1. Formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the company as specified under Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (1);
3. Monitor the CSR policy of the company from time to time;
4. Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or rules made thereunder or any other statutory laws of India

H. Risk Management Committee

The committee presently comprises three members, all non-executive directors. Nawshir Mirza is the chairman of the committee. Pheroze Pudumjee and Dr. Jairam Varadaraj are the other members of the committee.

The management has constituted a Risk Management Council which comprises the entire business segment and corporate function heads. The council is chaired by the chief financial officer. The council meets at least once a quarter to assess the risks facing the businesses and the mitigation measures taken. In particular, it is responsible for identifying developments in the environment or in internal operating processes that could materially affect the profile of risks.

The committee will report annually to the Board on its

working. It will assist the Board in identifying existential risks and reviewing the mitigation and elimination plans for those.

III) Other Disclosures Recommended by SEBI

A. Subsidiary Companies

The company has six non-listed Indian subsidiaries. In terms of Clause 49 (III) of the Listing Agreement, none of these subsidiaries is a 'material non-listed Indian subsidiary', whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries, in the immediately preceding accounting year.

The audit committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary companies. The summary of minutes of Board meetings of the subsidiary companies are circulated to the Board of the company along with agenda papers and the minutes are tabled at the Board meeting.

The company has prepared a policy determining a material subsidiary company.

B. Disclosure regarding appointment or reappointment of a director

In terms of Clause 49 (IV) of the Listing Agreement, information of directors who are being appointed or reappointed at the ensuing Annual General Meeting is given below:

At the ensuing Annual General Meeting of the company Pheroze Pudumjee is retiring by rotation and being eligible offers himself for reappointment. Brief profile of Mr. Pudumjee is given below:

Pheroze Pudumjee, 53, is a director of the company since January 15, 2001. He facilitates the company's international initiatives including the incubation and development of new business and relevant organisational changes.

Earlier, Mr. Pudumjee was executive director of Thermax's International Division till 2001. He also managed Thermax's overseas venture in the UK.

Mr. Pudumjee is a member of the Western Region Council of the Confederation of Indian Industries (CII). He had been the chairman of CII, Pune and was also a member of its National Committee on Exports. He also served as a member on the Mahratta Chamber of Commerce's International Panel.

Mr. Pudumjee has a Masters degree in Business Administration and a Diploma in Automobile Technology from Stanford University, USA.

Mr. Pudumjee is a chairman/member of the following Board appointed committees of the company:

Committee	Chairmanship/Membership
Audit Committee	Member
Borrowing & Investments Committee	Member
International Investment Committee	Chairman
Stakeholders' Relationship Committee	Chairman
Strategic Business Development Committee	Member

Mr. Pudumjee holds directorship of the following companies:

- RDA Holdings Pvt. Ltd.
- KRA Holdings Pvt. Ltd.
- ARA Trusteeship Company Pvt. Ltd.
- Thermax SPX Energy Technologies Ltd.
- Pune City Connect Development Foundation
- Thermax Hong Kong Ltd., Hong Kong

Mr. Pudumjee does not hold any shares of the company.

C. Annual General Meeting

The last three Annual General Meetings (AGMs) of the company were held at

Financial Year	Date	Venue	Time
2011-2012 31 st AGM	July 26, 2012	Symbiosis' Viman Nagar Campus (Auditorium), Survery No. 231/3A, New Airport Road, Vimannagar, Pune – 411 014	11.30 a.m.
2012-2013 32 nd AGM	July 25, 2013	Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan Complex, Baner Road, Pune – 411007	11.30 a.m.
2013-2014 33 rd AGM	July 22, 2014	Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan Complex, Baner Road, Pune – 411007	11.30 a.m.

D. Postal Ballot

No special resolution was passed during the last year that required approval through postal ballot. Similarly, there is no proposal to pass any special resolution through postal ballot for the ensuing AGM.

E. Disclosures

1. Related party transactions during the year have been disclosed as part of financial statements as required under Accounting Standard 18 issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions. Policy on Related Party Transactions has been Uploaded on the website of the company and web link has been provided in the Annual Report.
2. The company has prepared a risk management policy to identify, minimise, report and review business and process related risks at pre-defined intervals. This policy has been reviewed by the Board to assess control mechanism for risk evaluation and mitigation. The management has constituted a Risk Management Council which

comprises all the business segments and corporate function heads. The Council is chaired by the Chief Financial Officer. The Council meets at least once a quarter to assess the risks facing the businesses and the mitigation measures taken. In particular, it is responsible for identifying developments in the environment or in internal operating processes that could materially affect the profile of risks.

3. There were no instances of non-compliance by the company or penalties, strictures imposed on the company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the reporting period of last three years.
4. To promote ethical conduct and maintain high standards in carrying out business transactions of the company, a Code of Conduct has been laid down for procedures to be followed by Board members and the senior management employees. This code is also posted on the company's web-site.

All Board members and senior management employees have affirmed adherence to the code for the financial year ended March 31, 2015. The declaration of the managing director is given as an annexure.

5. The Managing Director & CEO, and CFO have issued a certificate pursuant to the provisions of clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the company's affairs. The said certificate is annexed.

F. Means of Communication

1. As the company publishes the quarterly and half-yearly financial results in prominent English and regional language newspapers and also displays the same on its website, individual communication of half yearly results is not being sent to the shareholders. The company also sends a soft copy of its financial results to the shareholders of the company at their email IDs available with the company.

2. The company's corporate website www.thermaxglobal.com provides comprehensive information of the company's business portfolio, including social initiatives comprising CSR activities. Quarterly and half yearly financial results are available in downloadable formats for investor's convenience. The Annual Report of the company is also available on the website in a user-friendly and downloadable form.
3. Management Discussion and Analysis forms part of the Annual Report.
4. Transcripts of teleconferences with analysts are also available on the website of the company.
5. Reminders for unpaid /unclaimed dividend are sent to shareholders every year.
6. Latest press releases and presentation of the chairperson's speech at the Annual General Meeting submitted to the Stock Exchanges are also available on the company's website for the benefit of the public at large.
7. The company has designated igkcpl@karvy.com and cservices@thermaxindia.com as e-mail IDs for investors' service.
8. NSE Electronic Application Processing System (NEAPS) is a web based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are filed electronically on NEAPS.
9. The investor complaints are processed in a centralised web based complaints redress system i.e. SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

G. Code for Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, the company has adopted a Code for

Prevention of Insider Trading. The objective of the code is to restrict an insider from dealing in the shares of the company either directly or indirectly when in possession of unpublished price sensitive information (UPSI) and also to restrict communication of such UPSI. The code is applicable to the directors and designated employees / persons associated with the company. The code enumerates the procedure to be followed for dealing in the shares of the company and periodic disclosures to be made. It also restricts the insiders from dealing in the company's shares during the period when the 'Trading Window' is announced closed. The company secretary has been designated as the Compliance Officer.

IV) SHAREHOLDER INFORMATION

A. 34th Annual General Meeting

Date and Time: July 28, 2015 at 11.30 a.m.

Venue: Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan Complex, Baner Road, Pune – 411007

B. Financial Calendar

The financial results for the financial year 2014-15 were announced on:

Financial Results	As Indicated	Actual Date
Quarter ended June 2014	July 22, 2014	July 22, 2014
Quarter ended September 2014	November 4, 2014	November 4, 2014
Quarter ended December 2014	January 30, 2015	January 30, 2015
Year ended March 2015	May, 2015	May 26, 2015

For the year 2015-16 the indicative announcement dates are:

Results for the quarter ended June 2015	July 28, 2015
Results for the quarter ended September 2015	October 27, 2015
Results for the quarter ended December 2015	January 29, 2016
Results for the year ended March 2016	May, 2016

C. Book Closure Date

The company's Share Transfer Books and Register of Members of equity shares shall remain closed from July 20, 2015 to July 28, 2015 (both days inclusive), to determine the shareholders entitled to receive dividend for the year ended March 31, 2015.

D. Dividend payment date

Dividend if declared at the ensuing AGM of the company will be paid within 30 days of the declaration.

E. Listing

The company's shares are listed on two stock exchanges viz., National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The company has paid listing fees to both the Stock Exchanges for the year 2015-16.

Custodial fees to Depositories: The custodial fees for the year 2015-16 will be paid upon the receipt of invoices to National Securities Depository Limited and Central Depositories Services (India) Limited on the basis of the number of beneficial accounts maintained by them, as on March 31, 2015.

F. Compliance Officer

Mr. Gajanan P. Kulkarni, Vice President Legal & Company Secretary is the Compliance Officer for complying with the requirements of the Securities Laws and the Listing Agreements with the Stock Exchanges.

G. Stock Codes

Trading symbol at	National Stock Exchange of India Ltd.	THERMAX EQ
	BSE Ltd.	Physical – 411 Demat – 500411
International Security Identification No. (ISIN) in NSDL and CDSL	Equity Shares	INE 152A01029
Reuters RIC	For price on NSE For price on BSE	THMX.NS THMX.BO
Corporate Identity No. (CIN)	L29299PN1980PLC022787	

H. Stock Data

(Rs.)				
Month	MKT QUOTE - NSE		MKT QUOTE - BSE	
	High	Low	High	Low
April 2014	780.00	744.00	775.00	714.95
May 2014	944.95	710.10	941.00	712.00
June 2014	979.00	878.00	977.30	879.55
July 2014	996.70	840.05	989.70	841.80
August 2014	921.65	817.00	920.10	790.00
September 2014	949.60	830.00	950.00	830.50
October 2014	915.00	831.00	940.00	826.95
November 2014	1,093.70	920.00	1,076.00	890.00
December 2014	1,132.00	944.00	1,131.80	949.15
January 2015	1,232.95	1,020.00	1,230.00	1,000.00
February 2015	1,268.35	1,054.20	1,280.00	1,077.50
March 2015	1,317.95	1,059.70	1,315.00	1,041.00

I. Registrar and Share Transfer Agent

Karvy Computershare Pvt. Ltd

Karvy Selenium Tower B, Plot No 31 & 32

Gachibowli, Financial District,
Nanakramguda, Serilingampally

Hyderabad – 500 032

Telephone: +91 040 67161500/ 33211000

Fax: 040 – 23001153/ 23420814

Toll free: 1800 345 4001

E-mail ID for redressal of grievances of shareholders / investors: einward.ris@karvy.com

Website: www.karvy.com

J. Share Transfer System

The company's shares are traded on the stock exchanges only in electronic mode. Shares received for transfer by the company or its Registrar and Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/ are duly transferred and dispatched within a period of 15 to 20 days from the date of receipt.

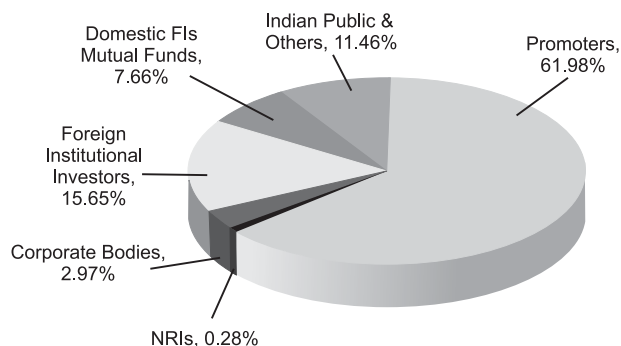
K. Shareholding pattern

Distribution of Shareholding as on March 31, 2015					
Sr. No	Category (Shares)	No. of Holders	% To Holders	No. of Shares held	% To Equity
1	1 - 500	25,712	92.80	28,38,855	2.38
2	501 - 1000	921	3.32	7,32,677	0.61
3	1001 - 2000	441	1.59	6,63,279	0.56
4	2001 - 3000	148	0.53	3,70,950	0.31
5	3001 - 4000	59	0.21	2,08,575	0.18
6	4001 - 5000	50	0.18	2,33,628	0.20
7	5001 - 10000	103	0.37	7,18,563	0.60
8	10001 and above	273	0.99	11,33,89,773	95.16
TOTAL:		27,707	100.00	11,9156,300	100.00

Category of equity shareholders as on March 31, 2015

Category	No. of shares held	% of shareholding
(A) Promoters holding		
1. Individuals	6,000	-
2. Corporate Bodies	7,38,49,305	61.98
Total shareholding of promoters	7,38,55,305	61.98
(B) Non-Promoters holding		
1. Mutual Funds, banks, financial institutions, insurance companies, etc.	91,23,252	7.66
2. Foreign institutional investors	1,80,29,436	15.65
3. Corporate bodies	35,39,914	2.97
4. Non-resident individuals	3,28,944	0.28
5. Indian public and others	2,27,82,813	11.46
Total shareholding of public	4,53,00,995	38.02
Total (A) + (B)	11,91,56,300	100.00

Shareholding pattern as on March 31, 2015



L. Details of Dematerialisation

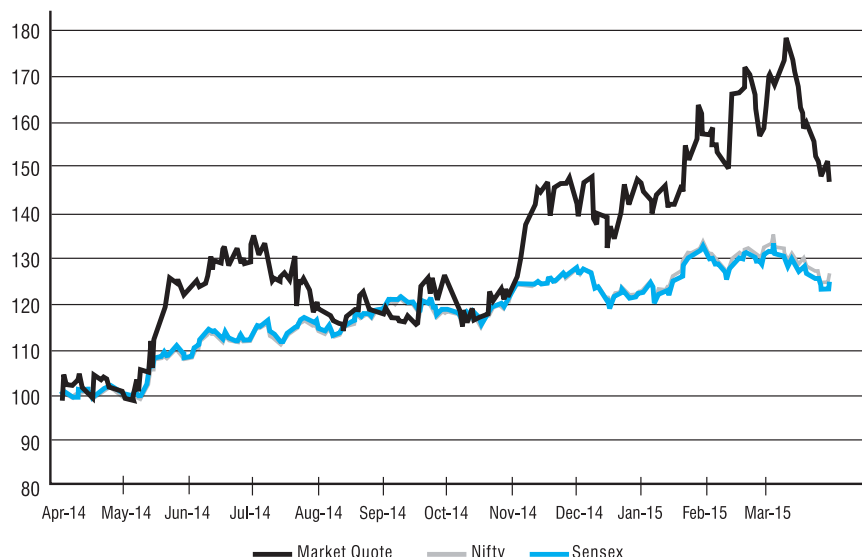
The company's equity shares are under compulsory demat trading for all categories of investors. 11,48,16,980 shares have been dematerialised as on March 31, 2015 which account for 96.36% of the total equity.

M. Top ten shareholders under non-promoter category as on March 31, 2015 are as under

Sr. No	Name of shareholder	Number of Shares held	% of shareholding
1	Matthews Pacific Tiger Fund	53,10,034	4.46
2	Life Insurance Corporation of India	17,68,720	1.48
3	Amansa Capital Pte. Limited A/C Amansa Holdings Private Limited	17,14,245	1.44
4	Matthews India Fund	15,98,128	1.34
5	Goldman Sachs India Fund Limited	13,00,702	1.09
6	Morgan Stanley Asia (Singapore) Pte	8,85,781	0.74
7	HDFC Trustee Company Ltd - A/C HDFC Mid - Cap opportunities Fund	9,32,839	0.78
8	Reliance Capital Trustee Co. Ltd. A/c Diversified Power Sector Fund	8,80,222	0.74
9	Capital International Emerging Markets	8,78,029	0.74
10	Napean Trading and Investment Co.Pvt. Ltd	8,00,000	0.67

Note: 29,06,250 shares held by the Thermax ESOP Trust are not included in the above list as it has been categorized 'Non-promoter non Public' shareholding as per the provision of Regulation 3(9) of SEBI (Share Based Employee Benefits) Regulations, 2014.

N. Stock Performance



NOTE: The company's share price and indices have been indexed to 100 as on the first working day of the financial year 2014-15 i.e. April 1, 2014.

O. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

The company has not issued GDRs/ADRs/Warrants or any Convertible Instruments.

P. Plant Locations

Pune

D-13, MIDC Industrial Area,
R. D. Aga Road,
Chinchwad, Pune - 411 019,
Maharashtra.

D-1 Block, MIDC Industrial Area,
Chinchwad, Pune - 411 019,
Maharashtra.

Paudh

At Paudh, Post Mazgaon,
Taluka Khalapur,
Dist. Raigad - 410206,
Maharashtra.

Khed

Gat No.125, Crusher Road,
At post Rohakal, Taluka - Khed,
Dist. Pune - 410501,
Maharashtra.

Savli

Plot no. 21/1-2-3,
GIDC Manjusar, Taluka - Savli,
Dist. Vadodara - 391775,
Gujarat.

Mundra SEZ

Survey no-169, Village Dhrub,
Taluka Mundra, Dist. Kutch - 370421,
Gujarat.

Jhagadia

Plot No 903/1, GIDC, Jhagadia Industrial Estate,
Jhagadia, Dist Bharuch- 393110,
Gujarat.

Solapur

Plot no T-1 MIDC,
Chincholi, Taluka Mohol,
Dist. Solapur - 413 255
Maharashtra.

Q. Address for correspondence

Investors should address their correspondence to the company's Registrar and Transfer Agent, Karvy Computershare Private Limited, whose address has been provided in para 1.

Shareholders holding shares in dematerialised form should address their queries such as change in bank account details, address, nomination, etc., to their respective Depository Participants (DPs).

Queries relating to the Annual Report may be addressed to:

The Company Secretary,
Thermax Limited,
Thermax House,
14, Mumbai-Pune Road,
Wakdevadi,
Pune - 411 003.
Email: gajanan.kulkarni@thermaxglobal.com

R. Whistle Blower Policy / vigil mechanism

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the company. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The company has assigned the e-mail ID – tlgovernance@gmail.com or chairmanac@thermaxglobal.com on which anyone can report or send a written complaint to the chairperson, managing director and the chairman of the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

V) NON-MANDATORY REQUIREMENTS

The company has adopted part of the non-mandatory code of corporate governance recommended under Clause 49 of the Listing Agreement.

A. The Board

The chairperson's office is maintained at the company's expense, which is equipped with all required facilities. The chairperson is also allowed reimbursement of expenses incurred in performance of her duties.

B. Shareholder Rights

Quarterly & half yearly statements are being published in newspapers.

C. Audit Qualification

There is no audit qualification in the company's financial statements for the year ended March 31, 2015.

D. Familiarisation programme for independent directors

The company intent to familiarise the independent directors with the company, their role, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

Through the familiarisation programme, the company intends to achieve the following objectives:

- To apprise the directors about the business model, corporate strategy, nature of industry, business plans and operations of the company.
- To familiarise them with the company's financial performance, annual budgets, internal control processes and statutory compliances.
- To apprise them about their roles and responsibilities in the company.
- To familiarise them with company's vision, values, ethics and corporate governance practices.

The independent directors in the Board and committee meetings have been provided with the business model, annual budgets, significant developments, etc. independent directors interact with the company's senior management employees i.e. Business Unit (BU) and Strategic Business Unit (SBU) Heads and such interactions happen during Board and committee meetings and even during the Board Retreat which usually takes place once a year.

E. Separate post of Chairman and CEO

The company has separate position of Non- Executive Chairperson and Managing Director & CEO.

F. Reporting of Internal Auditor

The Chief Internal Auditor of the company reports directly to the Audit Committee.

vi) RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified practicing company secretary carries out share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and report thereon is submitted to the Stock Exchanges. The audit confirms that:

1. The total of the shares held in NSDL, CDSL and in the physical form tally with the issued / paid-up capital.
2. The Register of members is updated.
3. The dematerialisation requests have been confirmed within 21 days and there has been no delay beyond the stipulated time-frame.
4. There has been no change in the share capital of the company.

The company's RTA has the adequate software to monitor the compliance system.

vii) OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Institute of Company Secretaries of India, one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like board meetings and general meetings. Although these

standards are recommendatory in nature, the company substantially adheres to these standards voluntarily.

Secretarial Standards w.r.t. Board and General Meetings are mandatory for your company w.e.f. July 1, 2015.

viii) CORPORATE GOVERNANCE VOLUNTARY GUIDELINES 2009

The Ministry of Corporate Affairs, Government of India, has issued the Corporate Governance Voluntary Guidelines 2009, keeping in view the objective of encouraging the use of better practices through voluntary adoption, which not only serve as a benchmark for the corporate sector but also help them in achieving the highest standard of corporate governance. The company's practices embrace the elements of the Guidelines substantially. The management is taking efforts to review its corporate governance parameters from time to time in the context of the other recommendations under the Guidelines for appropriate adoption.

ix) SHAREHOLDER REFERENCE

A. Unclaimed Dividend

Unclaimed dividend for the years prior to and including the financial year 2006-07 has been transferred to the General Revenue Account / the Investor Education & Protection Fund (IEPF), established by the Central Government, as applicable. Shareholders who have not encashed their dividend warrants relating to financial year(s) up to and including 1994-95 may claim such dividend, which has been transferred to the General Revenue Account, from the Registrar of Companies, 3rd Floor, PMT Building, Deccan Gymkhana, Pune – 411 004, in the prescribed form. This form can be downloaded from the company's website www.thermaxglobal.com under the section 'Investor Relations'.

Financial year	Date of declaration	Total dividend amount (Rs. crore)	Unclaimed dividend as on March 31, 2015		Due for transfer to IEPF on
			(Rs.)	%	
2007-08	22.07.2008	95.33	10,07,768	0.11	27.08.2015
2008-09	21.07.2009	59.57	7,09,430	0.12	27.08.2016
2009-10	21.07.2010	59.57	7,27,630	0.12	26.08.2017
2010-11	22.07.2011	107.24	11,57,814	0.11	27.08.2018
2011-12	26.07.2012	83.40	10,63,258	0.13	31.08.2019
2012-13	25.07.2013	83.40	10,32,682	0.12	30.08.2020
2013-14	22.07.2014	71.49	17,56,662	0.25	27.08.2021

Dividend for the years noted above, if remains unclaimed for seven years, will be transferred by the company to the IEPF in accordance with the provisions of Section 123 (3) of the Companies Act, 2013. Please note that the unclaimed dividend for the financial year 2007-08 is due for transfer to IEPF later this year as detailed above. Letters have been sent by the company to the shareholders concerned advising them to lodge their claim with respect to such unclaimed dividend.

The shareholders whose dividend have been transferred to IEPF, shall be entitled to get refund of the said dividend from IEPF after complying with the prescribed procedure under the Companies Act, 2013.

B. Bank details

Shareholders holding shares in physical form are requested to notify / send the following information to the Registrar and Transfer Agent of the company:

- Any change in their address / mandate / bank details etc.
- Particulars of the bank account in which they wish their dividend to be credited, in case the same has not been furnished earlier and should include the following particulars namely, Bank Name, Branch Name, Account Type, Account Number and MICR Code (9 digit).

C. Permanent Account Number

Securities and Exchange Board of India has made it mandatory for every participant in the securities/ capital

market to furnish Permanent Account Number (PAN) issued by the Income Tax Department. Accordingly all shareholders are required to submit a photocopy of their PAN card (both sides), duly attested.

Shareholders with shareholding in physical form are requested to send a copy of the PAN card of all holders (including joint holders) duly attested, by Notary Public/Gazetted Officer/ Bank Manager under their official seal and stating their full name, address and folio no. to the company or its Registrar and Share Transfer Agent.

Shareholders holding shares in *electronic form* are required to furnish their PAN details to their Depository Participant with whom they maintain their account along with the documents as required by them.

D. Nomination facility

Shareholders, holding shares in physical form and desirous of submitting / changing nomination in respect of their shareholding in the company may submit Form SH 13 (in duplicate) as per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014 to the company's Registrar and Transfer Agent.

E. Electronic Clearing Service (ECS) Facility

The company pays dividend through ECS i.e. by crediting the shareholders' bank account directly.

- Members holding shares in PHYSICAL FORM and desirous of availing this facility are requested to send their details in ECS mandate form. The ECS mandate form may be collected from the company's Corporate Office or its Registrar and Transfer Agent or may also be downloaded from the company's website www.thermaxglobal.com. To avail of the ECS facility the mandate form should be sent by post or hand delivered to the company's Corporate Office or its Registrar and Transfer Agent so as to reach before commencement of the book closure date i.e. July 20, 2015.
- Members holding shares of the company in DEMATERIALISED (electronic) form are requested to intimate all changes pertaining to their

bank account details, ECS mandates, nominations, power of attorney, change of address/name etc., to their Depository Participant (DP) only and not to the company or its Registrar and Transfer Agent. Changes intimated to the DP would be downloaded and updated in the company's records for disbursement of dividend or any corporate benefits.

F. Register e-mail address and mobile number

To support the 'Green Initiative' taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the company, investors should register their e-mail addresses with the company / its Registrar and Transfer Agent, if shares are held in physical mode or with their DP, if the holding is in electronic mode.

Intimate your mobile number and changes therein if any to the company / its Registrar and Transfer Agent, if shares are held in physical mode or to your

DP if the holding is in electronic mode, to receive communications on corporate actions and other information of the company.

G. E-Voting

To widen the participation of shareholders in company decisions, the Securities and Exchange Board of India has directed the top 500 listed companies to provide e-voting facilities to their shareholders from October, 2012 onwards, in respect of those businesses which are transacted through postal ballot.

Further, the Companies Act, 2013 and Clause 35B of the Listing Agreement also requires a listed company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at general meeting.

The procedure / instructions for e-voting are included in the Notice of the ensuing Annual General Meeting of the company.

ANNEXURE

To the Shareholders of Thermax Limited

Sub: Compliance with Code of Conduct

The company has adopted a Code of Conduct which deals with governance practices expected to be followed by Board members and senior management employees of the company.

I hereby declare that all the directors and senior management employees have affirmed compliance with the Code of Conduct adopted by the Board.

Pune: May 26, 2015

M. S. Unnikrishnan
 Managing Director & CEO

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To,
The Board of Directors,
Thermax Limited, Pune.

We hereby certify, to the best of our knowledge and belief, that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 and that
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, those deficiencies, of which we are aware, in the design or operation of such internal controls, and we have taken the required steps to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee that :-
 - i) there have been no significant changes in internal control over financial reporting during the year;
 - ii) there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) there have been no instances of significant fraud, of which we have become aware involving management or an employee having a significant role in the company's internal control system over financial reporting.

M. S. Unnikrishnan
Managing Director & CEO

Amitabha Mukhopadhyay
Group CFO

Date: May 26, 2015
Place: Pune

CODE OF CONDUCT

for Directors and Senior Management

1. Fulfill functions of the office with integrity, professionalism, and exercise powers attached thereto in good faith and with due care and diligence, without the influence of personal interest.

2. The Board should act in the best interests of, and fulfill the fiduciary obligations to the company's shareholders, whilst also considering the interests of other stakeholders.

3. Ensure that the company's assets, proprietary confidential information and resources are used by the company and its employees only for legitimate business purposes of the company.

4. Minimise any situation or action that can create conflict of interests of the company vis-à-vis personal interest or interests of associated persons and make adequate disclosures, where necessary.

5. The senior management shall have the primary responsibility for the implementation of internal controls to deter and detect fraud. The company shall have zero tolerance for the commission or concealment of fraud or illegal acts.

6. The senior management will ensure that its dealings and relationships with business associates/customers are maintained in the best interest of the company. Its relationship in regard to the company work should be professional and commercially appropriate.

7. Seek to comply with all applicable laws, regulations, confidentiality obligations and corporate policies of the company. Encourage reporting of a material violation of any laws, rules or regulations applicable to the company or the operation of its business and ensure that the person reporting such violation is not aggrieved in any manner.

8. Comply with the terms of the Code of Conduct for Prohibition of Insider Trading approved by the Board of Directors and any other code that may be formulated from time to time, as applicable.

9. Conduct business in a responsible manner and commit to undertake:
 - (a) compliance with environmental laws, regulations and standards
 - (b) to incorporate environment friendly and protective measures as an integral part of the design, production, operation and maintenance of the company's facilities
 - (c) encourage wise use of energy, and minimise any adverse impact on the environment
 - (d) ensure health and safety measures for all the employees and workmen

10. The senior management shall not, without the prior approval of the Managing Director, accept part time employment or a position of responsibility (such as a consultant or a director) with any other organisation, for remuneration or otherwise.

11. Establish processes and systems for storage, retrieval and dissemination of documents both in physical and electronic form, so that the obligations of this code are fulfilled.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Thermax Limited,

We have examined the compliance of conditions of Corporate Governance by Thermax Limited, for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For B. K. Khare & Company

Chartered Accountants

Firm Regn. No : 105102W

H.P. Mahajani

Partner

Pune : May 26, 2015

(Membership no. 30168)

(This Page is intentionally kept blank).

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Limited

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of THERMAX LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements under Note 29 (Contingent Liabilities) and Note 30 to the financial statements
 - ii. Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B. K. Khare & Co.
Chartered Accountants
 Firm's Registration Number 105102W

H. P. Mahajani
Partner
 Membership Number: 030168

Place: Pune
 Date : May 26, 2015

Annexure to the Auditor's Report referred to in Point 9 of Report on Other Legal and Regulatory Requirements in our report of even date

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management in accordance with a planned program of physical verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- 2 (a) The Management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of business.
- (c) The Company has maintained proper records of inventory and the discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in books of account.

- 3 The Company has not granted any loans, secured or unsecured to any of the companies, firms nor other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a) and (b) of the said order are not applicable to the company.
- 4 In our opinion and according to the information and explanations given to us, the Company is having an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. On the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across, nor have we been informed of, any continuing failure to correct any major weaknesses in the aforesaid internal control system of the Company in respect of these areas.
- 5 The Company has not accepted any deposits within the meaning of Section 73 of the Act and rules framed there under.
- 6 We have broadly reviewed the books of accounts maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records maintained as aforesaid.
- 7 (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Wealth tax and service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax and cess which have not been deposited on account of any dispute except as follows:

Name of Statute	Nature of Dues (including interest and penalty as applicable)	Forum where the dispute is pending	Period to which amount related	Disputed dues, not deposited (Rs in Crore)
Central Excise Act, 1944	Excise duty	CESTAT	2001-02, 2003-04, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2012-13, 2014-15	11.44
		Supreme court	1997-98, 2006-07	5.44
Central Sales Tax Act and local Sales Tax (Including Works Contract)	Sales tax	Appellate Authority up to Commissioner level	1992-93, 2000-01, 2001-02, 2003-04, 2004-05, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	5.84
		High Court	2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2010-11	1.36
		Tribunal	2001-02, 2006-07, 2008-09	1.28
Customs Act, 1962	Custom duty	CESTAT	2005-06	0.45
Income Tax Act, 1961	Income Tax	Appellate Authority up to Commissioner's level	2003-04, 2007-08 to 2013-14	23.17
Service Tax (Finance Act, 1994)	Service tax	CESTAT	2012-13	0.13

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- 8 The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- 9 Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- 10 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year, except as mentioned below :

Sr. No.	Type of Guarantee	Beneficiary Subsidiary	Issued In Favour Of	To the extent of Amount of Guarantee
1	Letter of Comfort	Thermax Babcock and Wilcox Energy Solutions Private Limited	ICICI Bank	Rs. 66.30 Crore
2	Corporate Guarantee	Rifox – Hans Richter GmbH	Syd Bank Germany	Euro 0.45 Million

- 11 In our opinion, and according to the information and explanations given to us, during the year, no term loans have been obtained by the Company.
- 12 During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any significant instance of fraud on the Company or instance of fraud by the Company, either noticed or reported during the year, nor have we been informed of such case by the Management.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

H. P. Mahajani
Partner
Membership Number: 030168

Place: Pune
Date : May 26, 2015

Balance Sheet as at March 31, 2015

Particulars	Note No	(Rs. Crore)	
		As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	1	23.83	23.83
b. Reserves and Surplus	2	2242.99	2001.16
		<u>2266.82</u>	<u>2024.99</u>
2. Non-current Liabilities			
a. Long-term Borrowings	3	0.72	0.60
b. Deferred tax Liabilities (Net)	4	--	13.64
c. Other Long-term Liabilities	5	46.16	159.32
		<u>46.88</u>	<u>173.56</u>
3. Current Liabilities			
a. Short-term Borrowings	6	31.03	188.71
b. Trade Payables	7	863.46	841.22
c. Other Current Liabilities	8	1366.59	1387.40
d. Short-term Provisions	9	277.86	237.97
		<u>2538.94</u>	<u>2655.30</u>
TOTAL		<u>4852.64</u>	<u>4853.85</u>
II ASSETS			
1. Non-current Assets			
a. Fixed Assets			
i Tangible Assets	10	583.80	609.85
ii Intangible Assets		25.51	30.57
iii Capital Work-in-progress		39.17	23.50
b. Non-current Investments	11	474.19	462.08
c. Long-term Loans and Advances	12	15.78	20.87
d. Deferred tax Assets (Net)	13	17.76	--
e. Other Non-current Assets	14	204.66	173.15
		<u>1360.87</u>	<u>1320.02</u>
2. Current Assets			
a. Current Investments	15	783.07	633.44
b. Inventories	16	226.23	252.85
c. Trade Receivables	17	1526.77	1352.36
d. Cash and Cash Equivalents	18	222.24	320.14
e. Short-term Loans and Advances	19	155.76	187.90
f. Other Current Assets	20	577.70	787.14
		<u>3491.77</u>	<u>3533.83</u>
TOTAL		<u>4852.64</u>	<u>4853.85</u>

The notes are an integral part of these financial statements.

As per our report of even date
For B. K. Khare & Co.
Chartered Accountants
 Firm Reg No.105102W

For and on behalf of the Board
Meher Pudumjee
Chairperson

M. S. Unnikrishnan
Managing Director & CEO

H. P. Mahajani
Partner
 Membership No. 030168
 Pune, May 26, 2015

Amitabha Mukhopadhyay
*Executive Vice President
 & Chief Financial Officer*

G. P. Kulkarni
*Vice President - Legal &
 Company Secretary*
 Pune, May 26, 2015

Statement of Profit and Loss for the year ended March 31, 2015

		(Rs. Crore)	
Particulars	Note No	2014-15	2013-14
I Revenues from Operations (Gross)	21	4845.19	4403.33
Less : Excise Duty		147.78	101.17
Revenues from Operations (net)		4697.41	4302.16
II Other Income	22	110.81	64.30
III Total Revenue (I+II)		4808.22	4366.46
IV Expenses :			
Cost of Materials Consumed	23	2881.89	2659.02
Purchases of Stock-in-Trade	35.d	151.67	109.81
Changes in Inventories	24	8.50	(4.08)
Employee Benefits	25	450.28	422.64
Finance Costs	26	19.69	8.85
Depreciation and Amortisation	10	64.12	57.77
Other Expenses	27	735.03	705.56
Total Expenses		4311.18	3959.57
V Profit before exceptional and extraordinary items and tax (III - IV)		497.04	406.89
VI Exceptional items		--	--
VII. Profit before extraordinary items and tax (V - VI)		497.04	406.89
VIII Extraordinary Items		--	--
IX Profit before tax (VII - VIII)		497.04	406.89
X Tax Expense:			
1. Current tax		(191.55)	(165.00)
2. Deferred tax	4&13	30.45	11.08
XI Profit / (loss) for the period from continuing operations (IX - X)		335.94	252.97
XII Earnings per equity share of Rs. 2/- each	42		
Basic & Diluted (Rs.)		28.19	21.23

The notes are an integral part of these financial statements.

As per our report of even date

For B. K. Khare & Co.

Chartered Accountants

Firm Reg No.105102W

For and on behalf of the Board

Meher Pudumjee

Chairperson

M. S. Unnikrishnan

Managing Director & CEO

H. P. Mahajani

Partner

Membership No. 030168

Pune, May 26, 2015

Amitabha Mukhopadhyay

Executive Vice President

& Chief Financial Officer

G. P. Kulkarni

Vice President - Legal &

Company Secretary

Pune, May 26, 2015

Cash Flow Statement

	(Rs. Crore)	
	2014-15	2013-14
A Cash flow from Operating Activities		
Net Profit before tax	497.04	406.89
Add Adjustments for		
Depreciation	64.12	57.77
Net Provision for Doubtful Debts	50.52	40.43
Interest (expense)	19.69	8.85
Lease rentals Paid	0.00	0.00
Leave Encashment Provision	2.14	1.69
Less Adjustments for		
Interest / Dividend / Brokerage Income	(45.77)	(41.95)
(Profit) / Loss on sale of Investment	(35.78)	(22.35)
(Profit) / Loss on sale of assets	0.53	(0.56)
Provision for Long Term Investments written back	(4.10)	-
Operating profit before working capital changes	548.39	450.77
Adjustments for		
Trade and other receivables	(385.72)	292.51
Inventories	26.61	(42.52)
Trade payables	34.45	(42.84)
Contract in Progress	175.84	(141.36)
Cash generated from operations	399.57	516.56
Direct taxes paid	(119.14)	(185.73)
Net cash from operating activities	280.43	330.84
B Cash flow from Investing activities		
Purchase of Fixed Assets (Net)	(49.20)	(75.64)
Advance for Capital Expenditure	(1.30)	2.37
Investments in Subsidiaries / Group Companies	(8.01)	(68.39)
Purchase of other Investments	(1920.27)	(1989.50)
Proceeds from sale of Investments	1809.66	1788.55
Interest / Dividend / Brokerage received	54.47	38.69
Net cash from Investing activities	(114.66)	(303.93)

Cash Flow Statement (Contd.)

	(Rs. Crore)	
	2014-15	2013-14
C Cash flow from Financing Activities		
Proceeds from Borrowings	-	176.98
Repayment of Borrowings	(160.37)	-
Lease rentals paid	(0.00)	(0.00)
Interest paid	(19.68)	(8.83)
Dividend paid and Tax thereon	(83.63)	(97.53)
Net cash from Financing activities	(263.67)	70.61
Net (decrease) / increase in cash & cash equivalents	(97.91)	97.52
Opening cash & bank balances	320.14	222.62
Closing cash & bank balances	222.24	320.14

As per our report of even date

For B. K. Khare & Co.

Chartered Accountants

Firm Reg No.105102W

For and on behalf of the Board

Meher Pudumjee

Chairperson

M. S. Unnikrishnan

Managing Director & CEO

H. P. Mahajani

Partner

Membership No. 030168

Pune, May 26, 2015

Amitabha Mukhopadhyay

Executive Vice President

& Chief Financial Officer

G. P. Kulkarni

Vice President - Legal &

Company Secretary

Pune, May 26, 2015

Notes attached to and forming part of the Financial Statements

Particulars	Reference to note no	(Rs. Crore)	
		As at March 31, 2015	As at March 31, 2014

Note 1

Share Capital

Equity Share Capital

Authorised :	75.00	75.00
37,50,00,000 Equity Shares of Rs. 2/- each	75.00	75.00

(Previous year 37,50,00,000 equity Shares of Rs. 2/- each)

Issued, subscribed and fully paid :	23.83	23.83
11,91,56,300 Equity Shares of Rs. 2/- each	23.83	23.83

(Previous year 11,91,56,300 equity Shares of Rs. 2/- each)

(a) Reconciliation of number of equity shares	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Rs. Crore	Number of Shares	Rs. Crore
Shares outstanding at the beginning of the period	11,91,56,300	23.83	11,91,56,300	23.83
Shares outstanding at the end of the period	11,91,56,300	23.83	11,91,56,300	23.83

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity Shares held by holding company

6,43,28,500 shares are held by holding company, RDA Holdings Pvt. Ltd.
(Previous year 6,43,28,500 shares)

(d) Details of Equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	%	No. of Shares held	%	No. of Shares held
RDA Holdings Pvt. Ltd.	53.99	6,43,28,500	53.99	6,43,28,500
ARA Trusteeship Company Pvt. Ltd.	7.99	95,20,805	-	-
Mrs. Anu Aga	-	-	5.78	68,88,305

Notes attached to and forming part of the Financial Statements

Particulars	Reference to note no	As at March 31, 2015	(Rs. Crore) As at March 31, 2014
Note 2			
Reserves and Surplus			
Capital Redemption Reserve			
Per Last Balance Sheet		50.34	50.34
Share Premium Reserve			
Per Last Balance Sheet		61.13	61.13
Capital Reserve			
Per Last Balance Sheet		1.92	1.92
Hedging Reserve			
Per Last Balance Sheet		4.61	18.22
Adjusted to Statement of Profit and Loss		8.14	(13.61)
		12.75	4.61
General Reserve			
Per Last Balance Sheet		431.00	405.00
Less: Impact of Change in Rate of Depreciation (Net of Tax)		1.86	--
Transferred from Surplus		--	26.00
		429.14	431.00
Surplus			
Per Last Balance Sheet		1452.16	1308.83
Profit for the year		335.94	252.97
Proposed Equity Dividend	44	(83.41)	(71.49)
Tax on Dividend		(16.98)	(12.15)
Transfer to General Reserve		--	(26.00)
		1687.71	1452.16
		2242.99	2001.16
Note 3			
Long-Term Borrowings			
Secured:	35.n		
Term loans			
From other than banks		0.18	0.10
Unsecured:	35.o		
Term loans			
From other than banks		0.54	0.50
		0.72	0.60
Note 4			
Deferred tax Liabilities (Net)			
A. Deferred Tax Liabilities			
Depreciation on Fixed Assets		--	64.75
Others		--	4.84
Total (A)		--	69.59
B. Deferred Tax Assets			
Provision for Doubtful Debts		--	41.00
Others		--	14.95
Total (B)		--	55.95
Net Deferred Tax Liability (A-B)		--	13.64

Notes attached to and forming part of the Financial Statements

Particulars	Reference to note no	(Rs. Crore)	
		As at March 31, 2015	As at March 31, 2014
Note 5			
Other Long-term Liabilities			
Trade Payables	33	8.40	9.40
Customer Advances		36.29	148.46
Trade Deposits		1.47	1.46
		<u>46.16</u>	<u>159.32</u>
Note 6			
Short-term Borrowings			
Secured :	35.n		
From Banks		30.92	92.66
From other than banks		0.05	0.05
Unsecured :	35.o		
From Banks		--	96.00
From other than banks		0.06	--
		<u>31.03</u>	<u>188.71</u>
Note 7			
Trade Payables			
Trade Payables	33	766.03	791.89
Acceptances		97.43	49.33
		<u>863.46</u>	<u>841.22</u>
Note 8			
Other Current Liabilities			
Contracts in Progress	36	358.28	352.79
Interest accrued but not due on loans		0.04	0.03
Customer Advances		885.71	908.14
Trade Deposits		0.74	0.81
Unpaid Dividends		0.75	0.73
Other Liabilities		113.56	115.53
Other Payables		7.51	9.37
		<u>1366.59</u>	<u>1387.40</u>
Note 9			
Short-term Provisions			
Short Term Employee Benefits		96.69	81.30
Proposed Equity Dividend	44	83.41	71.49
Provision for Tax on Dividend		16.98	12.15
Provision for Warranty	46	80.78	73.03
		<u>277.86</u>	<u>237.97</u>

Notes attached to and forming part of the Financial Statements

Note 10

Fixed Assets

(Rs. Crore)

Particulars	Gross Block				Depreciation				Net Block	
	Cost as at 01.04.2014	Additions / Adjustment During the year	Deductions / Adjustment During the year	Total Cost as at 31.03.2015	Upto 31.03.2014	Deductions / Adjustment During the year	Provisions During the year	Total as at 31.03.2015	As at 31.03.2015	As at 31.03.2014
A. TANGIBLE :										
Land - Freehold	7.36	0.00	0.00	7.36	0.00	0.00	0.00	0.00	7.36	7.36
Land - Leasehold	27.22	7.93	0.00	35.15	0.67	0.00	0.36	1.03	34.12	26.55
Building	301.48	3.15	0.20	304.43	42.48	0.11	9.29	51.66	252.77	259.00
Plant & Machinery	406.03	9.79	3.40	412.42	177.46	(1.07)	30.39	208.92	203.50	228.57
Electrical Installation	47.50	0.75	0.00	48.25	14.14	(0.12)	3.01	17.27	30.98	33.36
Office Equipment & Computer	76.78	8.19	1.51	83.46	52.61	1.25	5.22	56.58	26.88	24.17
Furniture & Fixtures	36.33	1.43	0.02	37.74	14.91	0.01	2.60	17.50	20.24	21.42
R & D Equipments	3.39	0.31	0.36	3.34	1.97	0.31	0.22	1.88	1.46	1.42
Vehicles	16.70	1.61	2.55	15.76	8.70	1.58	2.15	9.27	6.49	8.00
Total Tangible Assets (A)	922.79	33.16	8.04	947.91	312.93	2.06	53.24	364.11	583.80	609.85
B. INTANGIBLE :										
Software	40.89	2.57	0.00	43.46	34.80	0.00	3.36	38.16	5.30	6.09
Technical Knowhow	44.43	3.26	0.00	47.69	19.96	0.00	7.52	27.48	20.21	24.47
Total Intangible Assets (B)	85.32	5.83	0.00	91.15	54.76	0.00	10.88	65.64	25.51	30.57
TOTAL FIXED ASSETS(A+B)	1008.11	38.99	8.04	1039.06	367.69	2.06	64.12	429.75	609.31	640.42
Previous Year	873.48	146.23	11.60	1008.11	318.88	8.97	57.77	367.69	640.42	554.60
Capital WIP									39.17	23.50

(Rs. Crore)

Particulars

As at March 31, 2015 As at March 31, 2014

Note 11

Non-current Investments (Refer Note No. 28.6)

Trade Investments:

A. Investments in Equity Instruments :

Equity Shares in Subsidiary Companies (fully paid up)

1	47,50,000 (Previous Year 47,50,000) Equity Shares of Rs.10/- each in Thermax Sustainable Energy Solutions Ltd.	4.45	4.45
2	45,00,000 (Previous Year 45,00,000) Equity Shares of Rs.10/- each in Thermax Engineering Construction Company Ltd.	4.50	4.50
3	90,00,000 (Previous Year 90,00,000) Equity Shares of Rs.10/- each in Thermax Instrumentation Ltd.	4.59	4.59
4	200,000 (Previous Year 200,000) Ordinary Shares of GBP 1 each in Thermax Europe Ltd.	1.17	1.17
5	1,695,000 (Previous Year 1,495,000) Equity Shares of USD 1 each in Thermax International Ltd., Mauritius	8.22	6.98
6	1,087,130 (Previous Year 1,087,130) Equity Shares of Brazilian Real 1 each in Thermax do Brasil - Energia e Equipamentos Ltda.	1.88	1.88
7	5,983,833 (Previous Year 5,983,833) Equity Shares of Hongkong Dollar 1 each in Thermax Hongkong Ltd.	3.52	3.52
8	USD 13,470,000 (Previous Year USD 13,470,000) Equity Shares in Thermax (Zhejiang) Cooling and Heating Engineering Co Ltd.	58.17	58.17
9	1,86,50,000 (Previous Year 1,86,50,000) Equity Shares of Rs.10/- each in Thermax Onsite Energy Solutions Ltd.	18.65	18.65

Notes attached to and forming part of the Financial Statements

Particulars	(Rs. Crore)	
	As at March 31, 2015	As at March 31, 2014
10 20,500,000 (Previous Year 20,500,000) Equity Shares of Euro 1 each in Thermax Netherlands B.V	134.82	134.82
11 Equity Shares of Euro 716,469 (Previous Year 716,469) in Rifox-Hans Richter GmbH Spezialarmaturen	12.04	12.04
12 500,002 (Previous Year 500,002) Equity Shares of RM 1 each in Thermax SDN. BHD	0.87	0.87
13 1,100,001 (Previous Year Nil) Equity Shares of USD 1 each in Thermax Engineering Singapore Pte Ltd.	6.78	-
Equity Share in Joint Venture Subsidiary Companies (fully paid up)		
14 1,02,00,000 (Previous Year 1,02,00,000) Equity Shares of Rs.10/- each in Thermax SPX Energy Technologies Ltd.	10.20	10.20
15 19,63,50,000 (Previous Year 19,63,50,000) Equity Shares of Rs.10/- each in Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	196.35	196.35
Total	(A) 466.20	458.19
B. Investment in Preference Shares :		
Preference Shares in Subsidiary Companies (fully paid up)		
16 1,747,300 (Previous Year 1,747,300) 6% Redeemable Preference Shares of USD 1 with conversion option in Thermax International Ltd., Mauritius	7.81	7.81
17 40,00,000 (Previous Year 40,00,000) 6% Cumulative Redeemable Preference Shares of Rs 10/- each in Thermax Sustainable Energy Solutions Ltd	4.00	4.00
18 1,00,00,000 (Previous Year 1,00,00,000) 1% Non Cumulative Redeemable Preference Shares of Rs 10/- each in Thermax Instrumentation Ltd	10.00	10.00
Total	(B) 21.81	21.81
Non Trade Investments:		
A. Investments in Equity Instruments :		
Quoted Equity Shares (fully paid up)		
19 2 (Previous Year 2) Equity Shares of Rs.10/- each in Metroglobal Ltd.	0.00	0.00
20 16,453 (Previous Year 16,453) Equity Shares of Rs.2/- each in Sanghvi Movers Ltd.	0.03	0.03
Quoted Equity Shares (partly paid up)		
21 1,25,000 (Previous Year 1,25,000) Equity Shares of Rs.10/- each Rs.2.50 paid up in Parasrampuriah Synthetics Ltd.	0.06	0.06
Unquoted Equity Shares (fully paid up)		
22 1,375 (Previous Year 1,375) Equity Shares of Rs.20/- each in Cosmos Co-operative Bank Ltd.	0.00	0.00
23 17,539 (Previous Year 17,539) Equity Shares of Rs 10/- each of GSL (India) Ltd	0.00	0.00
24 10,000 (Previous Year 10,000) Equity Shares of Rs.10/- each of Sicom Ltd.	0.07	0.07
Total	(B) 0.17	0.17
B. Investment in Preference Shares :		
Unquoted Preference Shares (fully paid up)		
25 21,800 (Previous Year 21,800) 18% Redeemable Cumulative Preference Shares of Rs.10/- each in Indian Food Fermentation Ltd.	0.02	0.02
Total	(B) 0.02	0.02
Total Non Current Investments (Trade + Non Trade)	488.20	480.18
Provision for diminution in value of investments	14.01	18.10
Total Non Current Investments	474.19	462.08

Notes attached to and forming part of the Financial Statements

Particulars	As at March 31, 2015		(Rs. Crore)	
	*Cost	Market Value	As at March 31, 2014	
			*Cost	Market Value
Aggregate amount of quoted investments	0.09	0.44	0.09	0.11
Aggregate amount of unquoted investments	488.11	-	480.09	-
Aggregate provision for diminution in value of investments	14.01	-	18.10	-

*Cost is before provision for diminution in the value of investment

Particulars	Reference to note no	(Rs. Crore)	
		As at March 31, 2015	As at March 31, 2014
Note 12			
Long-term Loans and Advances			
Unsecured, considered good			
Capital Advances		1.32	0.02
Security Deposits		10.87	9.14
Housing Deposit to Related Party		0.58	0.58
Loans given to Subsidiary Company		-	3.24
Advances recoverable in cash or kind		0.31	4.92
Advances to Staff and Workers		2.70	2.97
		15.78	20.87

Note 13

Deferred tax Assets (Net)

A. Deferred Tax Assets			
Provision for Doubtful Debts		57.77	--
Others		26.72	--
Total (A)		<u>84.49</u>	<u>--</u>
B. Deferred Tax Liabilities			
Depreciation on Fixed Assets		61.97	--
Others		4.76	--
Total (B)		<u>66.73</u>	<u>--</u>
Net Deferred Tax Assets (A-B)		<u>17.76</u>	<u>--</u>

Note 14

Other Non-current Assets

Long Term Trade Receivables			
Unsecured Considered good		93.07	41.99
Advance Income Tax (Net of Provisions)		21.13	47.20
Sales Tax Recoverable		90.46	83.96
		<u>204.66</u>	<u>173.15</u>

Notes attached to and forming part of the Financial Statements

		(Rs. Crore)	
	Reference	As at	As at
	to note no	March 31, 2015	March 31, 2014
Note 15			
Current Investments			
Investments in Mutual Funds :			
Current Portion of Long term Investment			
Units - Listed but not Quoted			
1	Nil (Previous year 1,58,83,893) units of Birla Sunlife Fixed Term Plan - Series JZ - Growth of Birla Sunlife Mutual Fund.	-	15.88
2	Nil (Previous year 1,09,06,300) units of Birla Sunlife Fixed Term Plan - Series KC - Growth of Birla Sunlife Mutual Fund.	-	10.91
3	Nil (Previous year 1,50,00,000) units of Birla Sunlife Fixed Term Plan - Series KD - Growth of Birla Sunlife Mutual Fund.	-	15.00
4	Nil (Previous year 1,00,00,000) units of Birla Sunlife Fixed Term Plan - Series KF - Growth of Birla Sunlife Mutual Fund.	-	10.00
5	Nil (Previous year 2,00,00,000) units of Birla Sunlife Fixed Term Plan - Series KK - Growth of Birla Sunlife Mutual Fund.	-	20.00
6	Nil (Previous Year 80,00,000) units of DSP Blackrock FMP Series 105 - Growth of DSP Blackrock Mutual Fund.	-	8.00
7	Nil (Previous Year 1,50,00,000) units of DSP Blackrock FMP Series 110 - Growth of DSP Blackrock Mutual Fund.	-	15.00
8	Nil (Previous year 1,55,74,557) units of DSP Blackrock FMP Series 146 -Growth of DSP Blackrock Mutual Fund.	-	15.57
9	Nil (Previous year 54,67,550) units of DSP Blackrock FMP Series 151 - Growth of DSP Blackrock Mutual Fund.	-	5.47
10	Nil (Previous year 1,50,00,000) units of DSP Blackrock FMP Series 155 - Growth of DSP Blackrock Mutual Fund.	-	15.00
11	Nil (Previous year 2,00,00,000) units of DSP Blackrock FMP Series 149 - Growth of DSP Blackrock Mutual Fund.	-	20.00
12	Nil (Previous Year 1,00,00,000) units of DWS FMP Series 32 - Growth of DWS Mutual Fund.	-	10.00
13	Nil (Previous Year 1,00,00,000) units of HDFC FMP 366D April 2013(1) Growth of HDFC Mutual Fund.	-	10.00
14	Nil (Previous Year 1,50,00,000) units of HDFC FMP 370D April 2013(2) - Growth of HDFC Mutual Fund.	-	15.00
15	Nil (Previous Year 1,00,00,000) units of HDFC FMP 370D July 2013(2) - Growth of HDFC Mutual Fund.	-	10.00
16	Nil (Previous year 50,00,000) units of HDFC FMP 369D February 2014(2) - Growth of HDFC Mutual Fund.	-	5.00
17	Nil (Previous year 1,00,00,000) units of HDFC FMP 366D March 2014(2) - Growth of HDFC Mutual Fund.	-	10.00
18	Nil (Previous year 1,64,12,100) units of HDFC FMP 370D March 2014(1) - Growth of HDFC Mutual Fund.	-	16.41
19	Nil (Previous Year 1,00,00,000) units of ICICI Pru FMP Ser 68 Plan K - Growth of ICICI Prudential Mutual Fund.	-	10.00

Notes attached to and forming part of the Financial Statements

		(Rs. Crore)	
	Reference	As at	As at
	to note no	March 31, 2015	March 31, 2014
20	Nil (Previous year 1,04,29,450) units of ICICI Pru FMP Series 72 Plan D - Growth of ICICI Prudential Mutual Fund.	-	10.43
21	Nil (Previous year 2,13,93,650) units of ICICI Pru FMP Series 72 Plan R - Growth of ICICI Prudential Mutual Fund.	-	21.39
22	Nil (Previous year 1,00,00,000) units of ICICI Pru FMP Series 72 Plan K - Growth of ICICI Prudential Mutual Fund.	-	10.00
23	Nil (Previous year 54,54,850) units of ICICI Pru FMP Series 73 Plan D - Growth of ICICI Prudential Mutual Fund.	-	5.45
24	Nil (Previous Year 1,00,00,000) units of IDFC Fixed Term Plan Series 24 - Growth of IDFC Mutual Fund.	-	10.00
25	Nil (Previous year 1,00,00,000) units of IDFC Fixed Term Plan Series 69 - Growth of IDFC Mutual Fund.	-	10.00
26	Nil (Previous year 1,00,00,000) units of Kotak FMP Series 139 - Growth of Kotak Mahindra Mutual Fund.	-	10.00
27	Nil (Previous year 80,00,000) units of Kotak FMP Series 143 - Growth of Kotak Mahindra Mutual Fund.	-	8.00
28	Nil (Previous year 50,00,000) units of SBI Debt Fund Series A 16 - Growth of SBI Mutual Fund.	-	5.00
29	Nil (Previous year 1,09,40,800) units of Tata FMP Series 46 Scheme P - Growth of Tata Mutual Fund.	-	10.94
30	Nil (Previous year 1,09,36,100) units of UTI Fixed Term Income Fund Series XVII-XVI - Growth of UTI Mutual Fund.	-	10.94
31	Nil (Previous Year 70,00,000) units of UTI Fixed Term Income Fund Series XVI-I - Growth of UTI Mutual Fund.	-	7.00
32	Nil (Previous year 54,44,500) units of UTI Fixed Term Income Fund Series XVIII-III - Growth of UTI Mutual Fund.	-	5.44
33	Nil (Previous year 54,56,800) units of UTI Fixed Term Income Fund Series XVII-XX - Growth of UTI Mutual Fund.	-	5.46
Total		(A)	367.30

Current Investments

Units - Quoted but not Listed

Liquid and Liquid Plus

34	5,90,979 (Previous Year 7,18,281) units of Kotak Liquid Fund Plan A of Kotak Mahindra Mutual Fund.	72.27	87.83
35	Nil (Previous Year 9,78,265) units of UTI Floating Rate Fund Short Term Plan of UTI Mutual Fund.	-	105.35
36	12,75,092 (Previous Year 4,24,391) units of SBI Premier Liquid fund of SBI Mutual Fund.	127.92	42.58
37	52,058 (Previous Year Nil) units of Reliance Liquidity Fund of Reliance Mutual Fund.	5.21	-
38	1,47,02,943 (Previous Year Nil) units of Birla Sunlife Floating Rate Short Term Fund of Birla Sunlife Mutual Fund.	147.06	-
39	6,45,882 (Previous Year Nil) units of DSP Blackrock Liquidity Fund of DSP Blackrock Mutual Fund.	64.61	-

Notes attached to and forming part of the Financial Statements

			(Rs. Crore)	
		Reference to note no	As at March 31, 2015	As at March 31, 2014
40	1,19,77,945 (Previous Year Nil) units of ICICI Pru Money Market Fund of ICICI Prudential Mutual Fund.		119.93	-
41	3,11,039 (Previous Year Nil) units of IDFC Cash Fund of IDFC Mutual Fund.		31.12	-
42	16,22,475 (Previous Year Nil) units of Kotak Banking PSU Debt Fund Growth of Kotak Mahindra Mutual Fund		5.00	-
43	42,137 (Previous Year Nil) units of SBI Magna Insta Cash Fund Liquid Floater Growth of SBI Mutual Fund		10.00	-
44	2,24,865 (Previous Year Nil) units of Tata Liquid Fund of Tata Mutual Fund.		25.06	-
45	5,21,794 (Previous Year Nil) units of Tata Money Market Fund of Tata Mutual Fund.		52.26	-
46	11,04,803 (Previous Year Nil) units of UTI Liquid Fund - Cash Plan of UTI Mutual Fund.		112.63	-
47	Nil (Previous Year 2,01,52,664) units of ICICI Pru Banking & PSU Debt Fund of ICICI Prudential Mutual Fund.		-	20.28
48	79,165 (Previous Year 1,00,503) units of Axis Banking Debt Fund - Growth Option of Axis Mutual Fund.		10.00	10.10
Total		(B)	783.07	266.14
Total Current Investments		(A+B)	783.07	633.44
		As at March 31, 2015	As at March 31, 2014	
Particulars	Cost	Market Value	Cost	Market Value
Aggregate amount of quoted investments	783.07	783.38	266.14	266.15
Aggregate amount of unquoted investments	-	-	367.30	377.50

			(Rs. Crore)
Particulars	Reference to note no	As at March 31, 2015	As at March 31, 2014
Note 16			
Inventories			
Raw materials	35.e	179.19	198.94
[Including Rs. 2.30 Crore Goods in Transit (Previous year Rs. 3.76 Crore)]			
Work-in-progress	35.f	19.86	22.22
Finished goods	35.g	10.77	13.88
Stores and spares		2.44	1.74
Stock of Trading Purchases	35.h	13.97	16.07
		226.23	252.85

Notes attached to and forming part of the Financial Statements

(Rs. Crore)			
Particulars	Reference to note no	As at March 31, 2015	As at March 31, 2014
Note 17			
Trade Receivables			
Unsecured;			
Outstanding for a period exceeding 6 months from the date they are due for payment :			
Considered good		137.13	169.03
Considered doubtful		198.46	147.94
Less : Provided for		198.46	147.94
Others		1389.64	1183.33
		<u>1526.77</u>	<u>1352.36</u>
Note 18			
Cash and Cash Equivalents			
Cash on hand		0.23	1.03
Balances with banks			
In Current accounts		--	--
In Deposit accounts		210.56	312.32
In Unpaid dividend accounts		0.75	0.73
Cheques, drafts on hand		10.70	6.06
		<u>222.24</u>	<u>320.14</u>
Less : Deposit with more than 12 month in maturity disclosed under "Other Non-current Assets"		--	--
		<u>222.24</u>	<u>320.14</u>
Note 19			
Short-term Loans and Advances			
Unsecured, considered good			
Advances recoverable in cash or kind		144.43	174.82
Security Deposits		5.48	7.99
Advances to Staff and Workers		5.85	5.09
		<u>155.76</u>	<u>187.90</u>
Note 20			
Other Current Assets			
Contracts in Progress	36	394.55	564.90
Prepaid Long Term Employee Benefits (Gratuity)	39	9.02	14.10
Balance in Central Excise & Customs Accounts		54.61	66.24
Advance Income Tax (Net of Provisions)		25.73	72.06
Sales Tax Recoverable		12.72	3.28
Foreign Currency Forward Contract		13.75	1.71
Other Current Assets		67.32	64.85
		<u>577.70</u>	<u>787.14</u>

Notes attached to and forming part of the Financial Statements

Particulars	Reference to note no	2014-15	(Rs. Crore) 2013-14
Note 21			
Revenue from Operations			
A. Sale (Product and Project)			
(i) Domestic		3567.72	2618.20
Add : Closing Contracts in Progress		(89.70)	126.31
Less : Opening Contracts in Progress		126.31	(61.81)
		3351.71	2806.32
(ii) Exports		1013.98	1092.48
Add : Closing Contracts in Progress		125.97	85.80
Less : Opening Contracts in Progress		85.80	132.56
[Including Deemed Exports of Rs 159.62 Crore (Previous Year Rs. 155.81 Crore)]			
		1054.15	1045.72
Total (A)	35.a	4405.86	3852.04
B. Sale of Services			
(i) Domestic		349.93	433.71
(ii) Exports		37.87	55.38
Total (B)	35.b	387.80	489.09
C. Other Operating Revenues			
Claims and Refunds		4.81	6.81
Balances earlier Written Off now Recovered		0.30	0.10
Profit on Sale of Assets		--	0.56
Commission		4.64	5.22
Sale of Scrap		12.37	19.37
Miscellaneous Income		29.41	30.14
Total (C)		51.53	62.20
D. Less: Excise duty		147.78	101.17
Revenue from Operations (Net) (A + B + C - D)		4697.41	4302.16
Note 22			
Other Income			
Interest Income		27.11	28.10
Dividend Income			
Long-term Investment		0.00	0.00
Current Investment		18.66	13.85
Net gain/loss on sale of investments			
Long-term Investment		35.77	22.15
Current Investment		0.01	0.20
Provision for Dimunition in value of Investments Written Back		4.10	--
Exchange Fluctuation Income		25.16	--
		110.81	64.30

Notes attached to and forming part of the Financial Statements

Particulars	Reference to note no	2014-15	(Rs. Crore) 2013-14
Note 23			
Cost of Material Consumed			
Consumption of raw materials and components			
Opening Stocks		195.80	158.69
Add: Purchases		2867.72	2696.13
		3063.52	2854.82
Less: Closing Stocks		181.63	195.80
		2881.89	2659.02
Note 24			
Changes in Inventories			
Opening Stocks:			
Work-in-Progress		23.19	23.41
Finished Goods		13.88	8.87
Stock of Trading Purchases		16.03	16.74
		53.10	49.02
Less: Closing Stocks :			
Work-in-Progress		19.86	23.19
Finished Goods		10.77	13.88
Stock of Trading Purchases		13.97	16.03
		44.60	53.10
		8.50	(4.08)
Note 25			
Employee Benefits Expense			
Salaries and wages		393.80	372.97
Contribution to provident and other funds	39	37.91	33.83
Staff welfare expenses		18.57	15.84
		450.28	422.64
Note 26			
Finance Costs			
Interest expense		19.69	8.85
		19.69	8.85

Notes attached to and forming part of the Financial Statements

		(Rs. Crore)	
Particulars	Reference to note no	2014-15	2013-14
Note 27			
Other Expenses			
Consumption of stores and spare parts		23.48	22.58
Power and Fuel		30.17	28.09
Drawing, Design and Technical Service Charges		52.43	47.92
Site Expenses and Contract Labour Charges		161.38	150.58
Freight Outward		43.55	71.01
Commission on Sales		44.11	23.68
Other Selling and Distribution Expenses		37.58	23.86
Free of Cost Supplies and Modifications		46.19	20.59
Bad Debts		2.32	9.28
Provision for Doubtful Debts		44.37	43.49
Liquidated Damages		14.66	8.81
Rent and Service Charges		11.65	13.67
Rates and taxes, excluding taxes on income		4.28	3.95
Insurance		4.23	6.01
Repairs to buildings		6.16	2.87
Repairs to machinery		10.97	9.27
Repairs - others		13.40	11.23
Communication		7.11	7.48
Traveling and Conveyance		61.25	53.92
Advertising and Exhibition Expenses		0.83	0.78
Legal & Professional Charges		42.79	35.60
Printing and Stationery		3.49	3.79
Bank Charges		8.22	10.08
Additional Sales Tax and Turnover Tax		11.58	18.86
Net loss on foreign currency transaction and translation		--	41.01
Loss on Assets sold/discarded (net)		0.53	--
Donations	35.m	10.02	6.12
Miscellaneous Expenses		38.28	31.02
		735.03	705.55

Notes attached to and forming part of the Financial Statements

28 Significant Accounting Policies

28.1 Basis for Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention on an accrual basis and comply with notified accounting standards referred to in Section 133 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs and other relevant provisions of the Companies Act, 2013.

28.2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual outcome and estimates are recognised in the period in which the outcome is known or materialises.

28.3 Fixed Assets – Tangible and Intangible Assets

- Tangible fixed assets are stated at cost (net of refundable taxes or levies) and include any other attributable cost for bringing the assets to working condition for their intended use.
- Borrowing costs attributable to qualifying fixed assets are capitalised.
- Machinery specific spares (other than those required for regular maintenance) are capitalised as part of the related fixed asset.
- Expenditure incurred on acquisition or, as the case may be, on development of goodwill, technical know-how, software, patents, on research and development and other intangibles is recognised as an Intangible Asset if it is expected that such asset will generate future economic benefits not less than its carrying cost.

28.4 Depreciation

- Cost incurred on Leasehold land is amortised over the period of lease.
- The management has carried out an estimation of the useful lives of fixed assets based on internal and external technical evaluation. Based on such evaluation, in respect of the following categories of fixed assets, useful life differs from that specified in the Schedule II to the Companies Act 2013 :

Asset Category	Company's Estimate of Useful Life (Years)
Plant & Machinery	5 to 20
Roads	5 to 30
Office Equipment	15
Electrical Installation & Equipment	15
Computers & Data Processing Units	4 to 6

- Intangible assets are amortised on the straight line method over the estimated useful life of such assets. An asset's useful life is estimated based on an evaluation of the future economic benefits expected of such assets.
- Depreciation on the entire plant and machinery of chemical division is charged considering the chemical plant as a "Continuous Process Plant".

28.5 Impairment

Carrying amount of cash generating units/ assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. Provision for impairment loss, if any, is recognized to the extent to which the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is determined on the basis of the discounted present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

28.6 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary in nature, in the carrying amount of such long term investments.

Notes attached to and forming part of the Financial Statements

28.7 Inventories

- a. Inventories are valued at lower of cost and estimated net realisable value.
- b. Cost of raw materials, components, consumables, tools, stores & spares is arrived at on the basis of weighted average cost.
- c. Cost of finished goods and work in progress is arrived at on the basis of weighted average cost of raw materials and the cost of conversion thereof for bringing the inventories up to their present location and condition.
- d. Inventory obsolescence is provided for on the basis of standard norms.

28.8 Employee Benefits

a. Provident Fund

Liability on account of the company's obligation under the employee's provident fund, a defined contribution plan, is charged to the statement of profit and loss on the basis of statutory liability to contribute.

b. Superannuation Fund

Liability on account of the company's obligation under the employees' superannuation fund, a defined contribution plan, is charged to the statement of profit and loss on the basis of the plan's liability to contribute.

c. Gratuity

- i. Liability on account of company's obligation under the employee gratuity plan, a defined benefit plan, is provided on the basis of actuarial valuation at the Balance Sheet date.
- ii. Fair value of plan assets, being the fund balance on the balance sheet date with Life Insurance Corporation under group gratuity-cum-life assurance policy, is recognised as an asset.
- iii. Current service cost, interest cost and actuarial gains and losses are charged to the statement of profit and loss.
- iv. Past service cost/effect of any curtailment or settlement is charged/credited to the statement of profit and loss, as applicable.

d. Compensated Absences

Liability on account of the company's obligation under the employee's leave policy is charged to the statement of profit and loss at the undiscounted amount of such liability calculated with reference to leave earned but not availed of as at the Balance Sheet date.

e. Medical and Leave Travel Assistance benefits

Liability on account of the company's obligation under the employee's medical reimbursement scheme and leave travel assistance is charged to the statement of profit and loss at the undiscounted amount of such liability.

f. Bonus & Employee Short-Term Incentive Plan

Liabilities on account of the company's obligations under statutory regulations, agreement with trade unions and employees' short term incentive plan, as applicable, are charged to the statement of profit and loss at the undiscounted amount of each liability.

28.9 Provisions and Contingent Liabilities

- a. Provisions in respect of present obligations arising out of past events are made when reliable estimates can be made of those. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- b. The company provides for warranty obligations on substantial completion of contracts based on technical evaluation and past experience.
- c. Contingent liabilities are disclosed by way of notes to the financial statements, after careful evaluation by the management of the facts and legal aspects of each matter involved.

28.10 Revenue Recognition

- a. Revenue in respect of products is recognised on dispatch of goods to customers or when they are unconditionally appropriated to the concerned contracts.

Notes attached to and forming part of the Financial Statements

- b. Revenue in respect of projects for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods is recognized on the basis of percentage of completion method.
- c. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management (some of which are of a technical nature) of the costs to completion, the expected revenues from each contract (adjusted for probable liquidated damages, if any) and the foreseeable losses to completion.
- d. Stage of completion of each contract is determined by the proportion that aggregate contract costs incurred for work done till the balance sheet date bear to the estimated total contract cost.
- e. The difference between costs incurred plus recognised profits / less recognised losses and the amount of invoiced sales is disclosed as contracts in progress.
- f. Supply of spare parts and services are accounted for on 'as billed' basis.
- g. Revenue in respect of long-term service contracts and maintenance contracts is recognised on the basis of stage of completion or time proportion whichever is more appropriate.
- h. Dividend from investments is recognized when the company's right to receive is established.
- i. Government Grants
 - * A Government grant is accounted for when there is reasonable certainty of compliance with its conditions and of its ultimate collection.
 - * Revenue expenses (net of government grants, if any) incurred during research and development phase of internal projects are recognised as and when incurred.
 - * The cost incurred on any intangible asset (net of government grants, if any) in the development phase is recognised to the extent there is reasonable certainty of generating sufficient future economic benefits through commercial exploitation of such asset.

28.11 Borrowing Costs

- a. Borrowing costs on working capital are charged to statement of profit and loss in the year incurred.
- b. Borrowing costs attributable to the acquisition of a tangible fixed asset are capitalized till the date of substantial completion of the activities necessary to prepare the relevant asset for its intended use.
- c. Borrowing costs that are attributable to the acquisition or development of intangible assets are capitalised till the date they are ready to use.

28.12 Foreign Currency Transactions

- a. Transactions in foreign currencies are recorded at the exchange rates prevailing on the respective dates of the transactions.
- b. Exchange differences on settlement of transactions in foreign currencies are recognised in the statement of profit and loss.
- c. Foreign currency monetary item balances in the balance sheet are translated at the closing exchange rates and the resulting exchange difference is recognised in the statement of profit and loss.
- d. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- e. Revenue items of any foreign branches are translated at the relevant currency's average rate for the year.

28.13 Hedge Accounting

The company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations. In terms of the risk management strategy, the company does not use forward cover contracts for trading or speculative purposes.

Foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of such contracts, which are designated and effective, are recorded in the Hedging Reserve account.

Notes attached to and forming part of the Financial Statements

The accumulated changes in fair value recorded in the hedging reserve account are transferred to the statement of profit and loss in the same period during which the underlying transactions affect statement of profit and loss and / or the foreign currency forward contract expires or is exercised, terminated or no longer qualifies for hedge accounting.

28.14 Taxes on Income

- a. Current tax is provided on the basis of estimated tax liability, computed as per applicable provisions of the Income Tax Act, 1961.
- b. Deferred tax is recognised, subject to the consideration of prudence, in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted by the Balance Sheet date.

28.15 Others

- a. A liability for liquidated damages is recognised when it is deducted or claimed by the customer or when a reasonable estimate of the likely obligation can be made.
- b. Provision for doubtful debts is made on the basis of standard norms in respect of debtors outstanding beyond predefined period and also, where required, on actual evaluation.

29. Contingent Liabilities - Excise, Customs Duty and Service Tax

Disputed demands in respect of Excise, Customs Duty and Service Tax Rs. 10.42 Crore (Previous Year Rs. 16.24 Crore), Sales Tax Rs. 20.72 Crore (Previous Year Rs. 16.44 Crore) and other Statutes Rs.0.15 Crore (Previous Year Rs. 0.14 Crore).

30. Contingent Liabilities - Income Tax

- i. Demands disputed in appellate proceedings Rs. 47.53 Crore (Previous Year Rs. 20.40 Crore).
- ii. References / Appeals preferred by Income Tax department in respect of which, should the ultimate decision be unfavourable to the company, the liability is estimated to be Rs. 53.01 Crore (Previous Year Rs. 58.56 Crore)

31. Other Contingent Liabilities & Commitments

a. Other Contingent Liabilities

- i. Counter Guarantees given by the company to banks on behalf of group companies : Rs.43.11 Crore on behalf of Thermax Instrumentation Ltd.(Previous Year Rs. 46.09 Crore), Rs.1.43 Crore on behalf of Thermax Onsite Energy Solutions Ltd. (Previous Year Rs. 1.43 Crore), Rs. 0.68 Crore on behalf of Thermax SPX Energy Technologies Ltd.(Previous Year Rs. Nil) and Rs. 0.90 Crore on behalf of Thermax Senegal S.A.R.L (Previous Year Rs. Nil)
- ii. Indemnity Bonds, Letter of Comfort and Corporate Guarantees given by the Company on behalf of group companies : Thermax Engineering Construction Company Ltd. Rs. 90 Crore (Previous Year Rs. 90 Crore) Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. Rs. 66.30 crore (Previous Year Rs. Nil), Rifox - Hans Richter GmbH Rs. 3.02 crore (Previous Year Rs. Nil)
- iii. Liability for unexpired export obligations Rs. 32.46 Crore (Previous Year Rs. 10.30 Crore).
- iv. Claims against the company not acknowledged as debts Rs. 18.90 Crore (Previous Year Rs. 10.01 Crore).
- v. Bills Discounted with banks Rs. 16.79 Crore (Previous Year Rs. 5.95 Crore).

b. Commitments

- i. Liability in respect of partly paid shares Rs. 0.19 Crore (Previous Year Rs. 0.19 Crore).
- ii. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 6.92 Crore (Previous year Rs. 3.04 Crore).

32. The Company has received show cause-cum-demand notices from the Commissioner of Central Excise (duty amount aggregating to Rs. 873.63 crore against which the Company should be entitled to claim CENVAT credit in accordance with provisions of law) for the periods up to September 2014, as to why Excise Duty should not be levied on assessable value of Boilers inclusive of cost of 'Bought Out items'. The Company has from time to time replied to these notices contesting the same. The Excise authorities are yet to adjudicate the issue. Based on an independent legal opinion, the Company is confident of the issue being ultimately decided in its favour.

Notes attached to and forming part of the Financial Statements

33 Micro & Small Enterprises

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED) have been identified to the extent of information available with the company. This has been relied upon by the auditors.

Sundry Creditors include following amounts due to MSMED parties :

Sr. No.	Particulars	2014-15			2013-14		
		Principal	Interest	Total	Principal	Interest	Total
a)	Total Outstanding dues to micro and small enterprises	87.70	0.05	87.75	60.68	0.04	60.72
b)	Amount of Interest paid in terms of section 16 of MSMED Act along-with the principal amount of the payment made to supplier beyond appointed day.	7.54	0.06	7.60	2.28	0.00	2.28
c)	Outstanding interest (where principal amount has been paid off to the supplier but interest amount is outstanding as on March 31)	NA	0.05	0.05	NA	-	-

34 Auditors' Remuneration & Directors fees :

Other expenses include:

	2014 - 15	2013 - 14
a) Auditors' Remuneration (excluding service tax)		
i) As Auditors	0.70	0.70
ii) For Taxation matters (including Tax Audits)	0.40	0.58
iii) Certification fees	0.08	0.11
iv) Reimbursement of expenses	0.02	0.01
b) Directors Sitting fees	0.37	0.17

35 Additional Information under Schedule III of Companies Act, 2013 :

a. Turnover of goods manufactured & traded (net of excise)

Particulars	2014-15	2013-14
Boilers, Heaters & Chillers	2860.02	1980.97
Power Plants	391.28	686.16
Air Pollution Control, Water & Waste Treatment Plants & Systems	544.03	618.31
Ion Exchange Resins & Chemicals	266.55	248.39
Goods Traded In, Accessories, Spares etc.	196.20	217.04
Total	4258.08	3750.87

b. Service Revenue under broad heads

Particulars	2014-15	2013-14
Operation & Maintenance	222.39	213.84
Erection & Commissioning	142.29	217.71
Other Services	18.12	52.55
Total	387.80	489.10

Notes attached to and forming part of the Financial Statements

c. Consumption of raw materials & components etc. and cost of traded goods.

(Rs. Crore)

Particulars	2014-15	2013-14
Ferrous Sheets, Plates	141.46	120.34
Ferrous Tubes	111.35	159.00
Fabricated Items	554.91	644.70
Chemicals	141.86	142.00
Bought out items and other materials	1940.81	1588.90
Total	2890.39	2654.94

d. Trading Purchases under broad heads

Particulars	2014-15	2013-14
Steel and other metal	80.24	42.57
Spares Parts	66.73	63.50
Chemicals	3.29	3.21
Other Purchases	1.41	0.53
Total	151.67	109.81

e. Raw Material Stock under broad heads

Particulars	2014-15	2013-14
Ferrous Sheets, Plates	16.93	33.16
Ferrous Tubes	22.38	12.82
Fabricated Items	44.53	35.49
Chemicals	9.36	9.36
Others	85.99	108.11
Total	179.19	198.94

f. WIP Stock under broad heads

Particulars	2014-15	2013-14
Boilers, Heaters & Chillers	13.86	16.89
Air Pollution Control, Water and Waste Treatment Plants & Systems	3.25	3.27
Ion Exchange Resins & Chemicals	2.75	2.06
Total	19.86	22.22

g. Finished Goods Stock under broad heads

Particulars	2014-15	2013-14
Boilers , Heaters & Chillers	3.30	4.92
Ion Exchange Resins & Chemicals	7.47	8.96
Total	10.77	13.88

Notes attached to and forming part of the Financial Statements

h. Stock of Traded Goods under broad heads

(Rs. Crore)

Particulars	2014-15	2013-14
Steel and other metal	0.72	4.26
Spare Parts	11.66	11.29
Chemicals	0.33	0.32
Others	1.26	0.20
Total	13.97	16.07

i. Value of imported & indigenous Raw Materials, Components & Spare Parts consumed

Particulars	%	2014-15	%	2013-14
Imported	9	288.34	11	290.84
Indigenous	91	2753.72	89	2473.91
Total	100	3042.06	100	2764.75

j. CIF Value of Imports

Particulars	2014-15	2013-14
Raw Materials	167.08	175.37
Components & Spares	109.18	93.23
Consumables	5.91	6.98
Capital Goods	2.87	11.12
Total	285.04	286.70

k. Earnings in Foreign Currency (on accrual basis)

Particulars	2014-15	2013-14
Export of goods on FOB	993.09	1014.55
Others	33.00	23.84
Total	1026.09	1038.39

l. Expenditure in Foreign Currency (on accrual basis)

Particulars	2014-15	2013-14
Technical Fees	5.42	5.67
Expenses in Foreign Offices	15.76	15.03
Royalty	21.38	7.16
Travelling, Commission, Legal & Professional Charges and Others	61.25	37.09
Total	103.81	65.05

- m. Pursuant to the provisions of Section 135 of the Companies Act, 2013, the company has contributed Rs. 9.96 crore to Thermax Social Initiative Foundation as donation towards carrying out activities eligible under Corporate Social Responsibility Rules.

n. Secured Loan

Secured loans represent following categories of borrowings :

- Working Capital Loans (Cash Credits & Overdrafts) taken from consortium of banks. These are secured by hypothecation of present and future stock of raw materials, stock in process, semi finished & finished goods, stores and spares not relating to plant & machinery, consumables & book debts. These are repayable on demand. Working Capital loans outstanding as on March 31, 2015 are Rs. 24.14 Crore (Previous Year Rs. 13.88 Crore).
- Post Shipment Credit of Rs. 6.78 Crore (Previous Year Rs. 11.78 Crore) due for repayment on various dates between April 1, 2015 to August 1, 2015. These loans are secured by hypothecation of present and future stock of raw materials, stock in process, semi finished & finished goods, stores and spares not relating to plant & machinery, consumables & book debts.

Notes attached to and forming part of the Financial Statements

- iii) Packing Credit of Rs. Nil (Previous Year Rs. 67 Crore) outstanding as on March 31, 2015. These loans were secured by hypothecation of present and future stock of raw materials, stock in process; semi finished & finished goods, stores and spares not relating to plant & machinery, consumables & book debts.
- iv) Loan from Department of Bio Technology Rs. 0.23 Crore (Previous Year Rs.0.15 Crore) and is being repaid in ten half yearly instalments starting from December 2014. Loan is secured by hypothecation of R&D equipments purchased out of these funds.

o. Unsecured Loan

- i) Packing Credit of Rs. Nil (Previous Year Rs. 96 Crore) is availed of from banks.
- ii) Unsecured loan from Indo-German Science & Technology Centre Rs. 0.60 Crore (Previous year Rs. 0.50 Crore) due for repayment in ten half yearly instalments starting from November 2015.

p. Diminution in Value of Investment and loan

- i) The Company has reviewed the overall outlook of the business of Thermax Sustainable Energy Solutions Ltd. In view of very low prices of CERs, the viability of this business is severely affected. The Company has provided for diminution in value of its entire investment in this subsidiary and also provided for the loan extended to this Company.
- ii) During the year, the company has written back the provision for diminution in value of its investment in Thermax International Limited (Mauritius) of Rs. 12.09 crore, as it is evident from the performance of its step-down subsidiaries that such provision is no longer required.

36 Contracts in Progress (CIP) (AS 7)

(Rs. Crore)

Particulars	2014-15	2013-14
a) Aggregate amount recognised as Contract Revenue (RR) for the Year	3191.39	2969.41
b) In respect of contracts in progress as on 31 st March :		
1. Aggregate amount of costs incurred and recognised profits (less recognised losses) (including amounts carried forward from previous years)	13140.93	12395.48
2. Amount of Customer Advances received	749.75	942.41
3. Amount of Retentions	558.80	533.34
c) Gross amount due from customers for contract work	394.55	564.90
b) Gross amount due to customers for contract work	358.28	352.79

37 Foreign Exchange Transactions

The year end foreign exposures in respect of monetary items that have not been hedged by a derivative instrument or otherwise are given below:

Amounts (net) in foreign currency on account of the following:

Particulars	Amount in Rs. Crore	Amount in Foreign Currency
Export of Goods	17.33	USD 2,770,996
Import of Goods	(1.45)	GBP (157,562)
Import of Goods	(12.35)	EUR (1,838,816)
Import of Goods	(1.23)	YEN (23,588,960)

38 Capitalisation of expenses

Raw materials, labour and overheads capitalised in respect of Plant & Machinery Rs. Nil (Previous Year Rs. 2.84 Crore).

Notes attached to and forming part of the Financial Statements

39 Defined Benefit Plans for Employees (AS 15)

As per Actuarial valuation as on March 31, 2015 and recognised in financial statements in respect of Gratuity schemes:

Particulars	(Rs. Crore)	
	2014-15	2013-14
i Components of Employer expense		
a Current service cost	3.59	3.24
b Interest Cost	5.17	4.95
c Expected Return on Plan Assets	(6.70)	(6.40)
d Actuarial (Gain) / Loss	5.72	2.60
e Total Expense recognised in the Statement of profit and loss	7.78	4.39
ii Net Assets / (Liability) recognised in Balance Sheet as at 31st March		
a Present Value of Obligation	75.03	69.38
b Fair Value of Plan Assets	84.05	83.48
c (Asset)/Liability recognised in the Balance Sheet	(9.02)	(14.10)
iii Change in Gratuity Obligation during the year		
a Present Value of Obligation as at 1st April	69.38	65.69
b Current Service Cost	3.59	3.24
c Interest Cost	5.17	4.95
d Actuarial (Gain)/ Loss	6.51	3.14
e Benefit Paid	(9.62)	(7.64)
f Present Value of Obligation as at 31st March	75.03	69.38
iv Changes in the Fair Value of Plan Assets		
a Present Value of Plan Assets as at 1st April	83.48	76.48
b Expected Return on Plan Assets	6.70	6.40
c Actual Company Contribution	0.83	0.23
d Benefits Paid	(7.76)	(0.17)
e Actuarial Gain / (Loss)	0.79	0.54
f Present Value of Plan Assets as at 31st March	84.05	83.48
v Actuarial Assumptions		
a Discount Rate	8% p.a.	8% p.a.
b Expected Rate of Return	8% p.a.	8% p.a.
c Mortality Table	2006-08 Ultimate	2006-08 Ultimate
d Rate of escalation in Salary	7% p.a.	7% p.a.

Notes attached to and forming part of the Financial Statements

vi Amounts recognised in current year and previous four years

(Rs. Crore)					
Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Gratuity					
Defined Benefit					
Obligation	75.03	69.38	65.69	63.08	49.87
Plan Asset	84.05	83.48	76.48	64.29	51.65
(Surplus) / Deficit	(9.02)	(14.10)	(10.79)	(1.21)	(1.78)
Experience adjustments in plan liabilities	6.51	3.14	2.42	11.04	13.76
Experience adjustments in plan assets	0.79	0.54	1.02	0.68	0.66
Classified as Non- Current	59.72	61.25	54.64	59.13	2.06
Classified as Current	15.31	8.13	11.05	3.95	47.81
Total	75.03	69.38	65.69	63.08	49.87

vii The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

Particulars	2014-15	2013-14
Gratuity		
Investments with Insurer (LIC of India)	100%	100%

viii Defined Contribution Plans amount recognised in the Statement of profit and loss

(Rs. Crore)		
Particulars	2014-15	2013-14
Provident Fund and Other Funds	30.44	29.35

ix Expected Contribution to funds in next year

The company expects to contribute Rs. 1 Crore to Gratuity Fund in FY 2015-16.

40 Segment Reporting (AS 17)

- a. The Company has disclosed Business Segment as the primary segment. Segments have been identified by the management taking into account the nature of the products, manufacturing process, customer profiles, risk and reward parameters and other relevant factors.

The Company's operations have been mainly classified between two primary segments, 'Energy' and 'Environment'. Composition of business segments is as follows:

Segment	Products Covered
a) Energy	Boilers and Heaters, Absorption Chillers/Heat Pumps, Power Plants, Solar Equipment, Related Services.
b) Environment	Air Pollution Control Equipment/ Systems, Water & Waste Recycle Plants, Ion Exchange Resins & Performance Chemicals, Related Services.

- b. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

The expenses, which are not directly attributable to a business segment, are shown as unallocated cost.

Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated Assets and Liabilities respectively.

- c. Secondary segments have been identified with reference to geographical location of external customers. Composition of secondary segments is as follows:

- India
- Outside India

- d. Inter-segment transfer price is arrived at on the basis of cost plus a reasonable mark-up.

Notes attached to and forming part of the Financial Statements

I) Information about Primary Business Segments :

(Rs. Crore)

Particulars	2014-15			2013-14		
	Energy	Environment	Total	Energy	Environment	Total
Revenue :						
Gross Revenue	3773.42	1073.57	4846.99	3282.54	1059.78	4342.32
Less : Intersegment Revenue	0.07	149.51	149.58	0.83	39.33	40.16
Net Revenue	3773.36	924.05	4697.41	3281.71	1020.45	4302.16
Result :						
Segment Result	404.30	76.40	480.70	371.82	59.24	431.07
Unallocated expenses net of unallocated income			(36.03)			15.33
Operating Profit			516.73			415.74
Interest expenses			19.69			8.85
Taxation for the year			161.10			153.92
Profit after taxation and before exceptional items			335.94			252.97
Extra-ordinary items of expenses / (Income)			-			-
Net Profit			335.94			252.97
Other Information :						
Segment Assets	2452.04	737.12	3189.16	2443.48	769.78	3213.26
Unallocated Corporate Assets			1663.48			1640.60
Total Assets			4852.64			4853.85
Segment Liabilities	1958.92	428.68	2387.60	2080.25	418.83	2499.07
Unallocated Corporate Liabilities			198.22			329.79
Total Liabilities			2585.82			2828.86
Capital Expenditure	31.80	16.87	48.67	43.17	33.24	76.42
Depreciation	50.23	13.89	64.12	45.12	12.65	57.77
Non-cash expenses other than depreciation	-	-	-	-	-	-

II) Information about Secondary Segments:

(Rs. Crore)

Particulars	2014-15	2013-14
Revenue		
India	3639.30	3313.20
Outside India	1058.11	988.96
Total Revenue	4697.41	4302.16
Carrying Amount of Segment Assets :		
India	2995.35	3020.79
Outside India	193.81	192.47
Addition to Fixed Assets :		
India	48.54	76.32
Outside India	0.13	0.10

Notes attached to and forming part of the Financial Statements

41 Related Party Disclosures

Related party disclosures as required under Accounting Standard 18 issued by The Institute of Chartered Accountants of India are given below:

Relationship :

- A. Holding Company
RDA Holdings Pvt. Ltd.
- B. Enterprises controlled by the Company :

Subsidiary Companies:

i. Domestic:

Thermax Sustainable Energy Solutions Ltd.	Thermax Instrumentation Ltd.
Thermax Engineering Construction Co. Ltd.	Thermax Onsite Energy Solutions Ltd.
Thermax SPX Energy Technologies Ltd. (Joint venture with SPX Netherlands BV)	
Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. (Joint venture with Babcock & Wilcox India Holdings Inc)	

ii. Overseas:

Thermax Europe Ltd., U.K.	Thermax do Brasil Energia-e Equipamentos Ltda., Brazil
Thermax International Ltd., Mauritius	Thermax Inc., USA
Thermax Hong Kong Ltd., Hong Kong	
Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd., China	
Thermax Netherlands BV.	Thermax Denmark ApS, Denmark
Danstoker A/S, Denmark	
Boilerworks A/S (Denmark)	Boilerworks Properties ApS (Denmark)
Ejendomsanpartsselskabet Industrivej Nord 13 (EIN), Denmark	
Omnicall Kessel & Apparatebau GmbH, Germany (Up to September 8, 2014)	
Thermax SDN. BHD.	
Rifox-Hans Richter GmbH Spezialarmaturen	
Thermax Engineering Singapore Pte. Ltd.	PT Thermax International Indonesia
Thermax Senegal S.A.R.L	

- C. Individuals having control or significant influence over the Company by reason of voting power, and their relatives :
Mrs. Meher Pudumjee – Chairperson
Mrs. Anu Aga – Director
Mr. Pheroze Pudumjee – Director
 - D. Enterprise, over which control is exercised by individuals listed in 'C' above
Thermax Social Initiative Foundation
KRA Holdings Pvt. Ltd.
Shuffle Realtors Pvt. Ltd. (Up to April 30, 2014)
ARA Trusteeship Company Pvt. Ltd.
 - E. Key Management Personnel:
Mr. M S Unnikrishnan – Managing Director & CEO
- The following transactions were carried out during the year with related parties in the ordinary course of business.

Notes attached to and forming part of the Financial Statements

Details of Transactions with Subsidiary Companies

Particulars	(Rs. Crore)	
	2014-15	2013-14
I Sales, Service, Other income		
Sales of Goods		
i Thermax Inc.	51.64	40.64
ii Thermax Onsite Energy Solutions Ltd.	4.43	29.32
iii Thermax Europe Ltd.	62.55	27.05
iv Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	4.61	17.57
v Thermax (Zhejiang) Cooling & Heating Eng. Co. Ltd.	1.44	1.54
vi Thermax Engineering Construction Co Ltd.	1.82	-
vii Others	0.97	0.36
Total	127.46	116.48
Rendering of Services	3.71	3.88
Interest Income	0.16	0.16
Reimbursement of Expenses / cost of material / Stores		
i Thermax Engineering Construction Co Ltd.	2.90	2.47
ii Thermax Senegal S.A.R.L	1.27	-
iii Thermax SPX Energy Technologies Ltd.	0.21	0.94
iv Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	0.23	0.28
v Thermax Onsite Energy Solutions Ltd.	0.25	0.23
vi Others	0.22	0.16
Total	5.08	4.08
II Purchase of Material / Services		
i Thermax Engineering Construction Co Ltd.	83.59	88.63
ii Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	32.68	0.02
iii Thermax Instrumentation Ltd.	46.69	37.41
iv Thermax SPX Energy Technologies Ltd.	0.32	15.87
v Omnical Kessel & Apparatebau GmbH	-	12.59
vi Thermax (Zhejiang) Cooling & Heating Eng. Co. Ltd.	7.68	8.49
vii Others	0.46	0.09
Total	171.42	163.10
III Expenses		
Receiving of Services	2.11	2.43
Reimbursement of Expenses	5.23	9.24
Expenses for loan written-off	3.40	-
Deputation of employees	0.11	-
Donation to Thermax Social Initiative Foundation	9.96	6.03
IV Finance (Including Loan / Equity/ Preference Contribution & Share Application Money)		
Equity Contribution		
i Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	-	57.89
ii Thermax Onsite Energy Solutions Ltd.	-	10.50
iii Thermax Engineering Singapore Pte Ltd	6.78	-
iv Thermax International Ltd.	1.24	-
Total	8.02	68.39

Notes attached to and forming part of the Financial Statements

		(Rs. Crore)	
Particulars	2014-15	2013-14	
V Guarantee / Bond / Collateral/ Letter of Comfort Given on behalf of subsidiaries and out standing as on 31st March			
i Thermax Engineering Construction Co Ltd.	90.00	90.00	
ii Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	66.30	-	
iii Thermax Instrumentation Ltd.	43.11	46.09	
iv Thermax Onsite Energy Solutions Ltd.	1.43	1.43	
v Rifox-Hans Richter GmbH (Euro 0.45 Million)	3.02	-	
vi Thermax Senegal S.A.R.L	0.90	-	
vii Thermax SPX Energy Technologies Ltd.	0.68	-	
Total	205.44	137.52	
VI Amount Outstanding - Loan / Advances, Receivable			
Loan / Advances Outstanding			
i Thermax Sustainable Energy Solutions Ltd.	-	3.24	
Account Receivable			
i Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	0.31	18.99	
ii Thermax Inc.	15.92	15.09	
iii Thermax Europe Ltd.	21.60	4.26	
iv Thermax Onsite Energy Solutions Ltd.	2.00	2.65	
v Thermax SPX Energy Technologies Ltd.	3.28	1.84	
vi Thermax (Zhejiang) Cooling & Heating Eng. Co. Ltd.	0.91	1.04	
vii Thermax Instrumentation Ltd.	1.13	0.44	
viii Thermax Engineering Construction Co Ltd.	0.29	0.12	
ix Thermax Senegal S.A.R.L	1.27	-	
x Others	0.15	0.75	
Total	46.86	45.18	
Trade Advances			
i Thermax Instrumentation Ltd.	6.77	14.09	
ii Thermax Engineering Construction Co Ltd.	2.60	3.85	
iii Thermax SPX Energy Technologies Ltd.	3.70	-	
iv Others	0.29	0.49	
Total	13.36	18.43	
VII Amount Outstanding - Payable & Other Payable			
Accounts Payable			
i Thermax Instrumentation Ltd.	13.52	12.37	
ii Thermax Engineering Construction Co Ltd.	19.01	11.61	
iii Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	1.64	-	
iv Thermax Europe Ltd.	0.75	0.15	
v Thermax (Zhejiang) Cooling & Heating Eng. Co. Ltd.	6.23	4.55	
vi Thermax SPX Energy Technologies Ltd.	0.64	2.51	
vii Thermax Inc.	1.10	3.93	
viii Omnicall Kessel & Apparatebau GmbH	-	8.30	
ix Others	0.40	0.66	
Total	43.29	44.08	

Notes attached to and forming part of the Financial Statements

Particulars	(Rs. Crore)	
	2014-15	2013-14
VIII Details of Transactions relating to the Persons referred to "C" and "E"		
Managerial Remuneration	3.31	2.68
Sitting Fees	0.17	0.08
Rent Paid	0.36	0.32
Commission paid	0.63	0.42
Loans, Advance / Deposit outstanding at the end of the year	0.58	0.58

42 Earnings Per Share (EPS)

Earnings Per Share (EPS) calculated in accordance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India.

Particulars	2014 – 15	2013 – 14
Profit After Tax but before Extra-ordinary items (Rs. Crore)	335.94	252.97
Weighted average number of Equity shares of Rs. 2 each	11,91,56,300	11,91,56,300
Basic & Diluted EPS before Extra-ordinary items (Rs.)	28.19	21.23
Profit After Tax and after Extra-ordinary items (Rs. Crore)	335.94	252.97
Basic & Diluted EPS after Extra-ordinary items (Rs.)	28.19	21.23

- 43** For the year ended March 31, 2015, tax expense and finance cost (net) include Rs. 4.41 Crore and Rs. 9.56 Crore respectively, being provision made for estimated additional liability likely to arise upon settlement of the case in accordance with the provisions of Income Tax Act, 1961. Consequent deferred tax credit as on March 31, 2015 of Rs. 8.93 Crore has also been recognized. For the year ended March 31, 2014, the tax expense includes Rs. 29 Crore (Rs. 34.75 Crore for the Group) being provision for estimated liability towards this matter.

44 Proposed Dividend

The dividend proposed for the year is as follows :

[On Equity Share of Rs. 2/- each]

Particulars	2014-15	2013-14
Amount of dividend (Rs. Crore)	83.41	71.49
Dividend per equity share (Rs.)	7.00	6.00

45 Disclosure, as required by AS - 28 (Impairment of Assets):

In terms of Accounting Standard 28 (AS-28) there was no impairment loss on assets during the year under report.

46 Disclosure as required by AS - 29 (Contingent Liabilities and Provisions):

Particulars	(Rs Crore)	
	Warranty	Provision
	2014-15	2013-14
Opening Balance (as on 1st April)	73.03	72.20
Additions during the year	50.73	33.05
Utilisation during the year	30.93	7.50
Reversals during the year	12.05	24.72
Closing Balance (as on 31st March)	80.78	73.03

Notes attached to and forming part of the Financial Statements

47 Disclosure in relation to in-house Research & Development (R&D) expenses and fixed assets.

A) Details of R&D Revenue Expenses incurred during the year :

(Rs. Crore)

Particulars	2014-15			2013-14		
	DSIR*	Others	Total	DSIR*	Others	Total
Material Cost	3.07	0.71	3.78	7.08	0.02	7.10
Employee Cost	7.85	0.90	8.75	8.76	1.17	9.93
Consumable & Maintenance Cost	0.49	0.11	0.60	0.87	0.18	1.05
Drawing Design, licence fees & Professional fees	2.16	0.33	2.49	2.65	0.20	2.85
Labour Charges	1.16	0.07	1.23	1.12	0.04	1.16
Travelling Expenses	0.56	0.09	0.65	0.95	0.10	1.05
Other Costs	1.19	-	1.19	1.40	0.02	1.42
Depreciation	2.75	0.04	2.79	1.86	0.02	1.88
Less: Government Grants	(4.59)	-	(4.59)	(7.65)	-	(7.65)
Grand Total	14.64	2.25	16.89	17.04	1.75	18.79

* Expenses of sites/in house facilities approved by Department of Scientific and Industrial Research (DSIR).

B) Fixed Asset schedule of R&D Assets :

Fixed Assets included in respective category of Note 10, used for the purpose of in-house Research and Development activity.

(Rs. Crore)

Particulars	Gross Block				Depreciation				Net Block	
	Costs as at 1.4.2014	Additions/ Adjustments during the year	Deductions during the year	Total Cost as at 31.03.2015	Upto 31.03.2014	Deductions / Adjustment is during the year	Provisions during the year	Total as at 31.03.2015	As at 31.03.2015	As at 31.03.2014
TANGIBLE										
Building	0.64	-	-	0.64	0.32	-	0.01	0.33	0.31	0.32
Plant & Machinery	6.44	0.03	0.17	6.30	1.28	(0.05)	0.61	1.94	4.36	5.17
Electrical Installation	0.24	-	-	0.24	0.05	-	0.02	0.07	0.17	0.19
Furniture, Fixtures, Office Equipment & Computer	1.50	0.06	0.01	1.55	0.78	0.01	0.20	0.97	0.58	0.73
R&D Equipments(inhouse)	2.99	0.31	0.36	2.94	1.90	0.31	0.18	1.77	1.17	1.09
R&D Equipments(others)	0.39	-	-	0.39	0.08	-	0.04	0.12	0.27	0.32
Vehicles	0.09	0.22	-	0.31	0.03	-	0.02	0.05	0.27	0.06
INTANGIBLE										
Software	1.94	-	-	1.94	1.78	-	0.04	1.82	0.12	0.16
Development Costs (R&D)	7.53	2.20	-	9.73	1.22	-	1.61	2.83	6.90	6.30
Total	21.76	2.82	0.54	24.04	7.44	0.26	2.73	9.89	14.14	14.34
Previous Year	15.38	6.44	0.06	21.76	5.64	0.03	1.83	7.44	14.34	9.74
Capital CWIP									25.31	14.65

48 Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

As per our report of even date
For B. K. Khare & Co.
Chartered Accountants
Firm Reg No.105102W

For and on behalf of the Board
Meher Pudumjee
Chairperson

M. S. Unnikrishnan
Managing Director & CEO

H. P. Mahajani
Partner
Membership No. 030168
Pune, May 26, 2015

Amitabha Mukhopadhyay
Executive Vice President
& Chief Financial Officer

G. P. Kulkarni
Vice President - Legal &
Company Secretary
Pune, May 26, 2015

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Thermax Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Thermax Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date

Other Matter

8. We did not audit the financial statements of sixteen foreign subsidiaries whose financial statements reflect total assets of Rs. 581.55 Crores as at 31st March 2015, total revenues of Rs. 634.37 Crores and net cash flows amounting to Rs. (21.05) Crores for the year then ended and the Profit After Tax of Rs. (66.82) Crores for the year ended (before giving effect to the consolidation adjustments). These financial statements referred have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion insofar as it relates to these financial statements, is based solely on the reports of the other auditors.

Our Opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company and the Group companies in India as on 31st March, 2015 taken on record by Board of Directors of respective Companies, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on Group's financial position in Group's financial statements under Note 32.1(Contingent Liabilities) to the financial statements
 - ii. The Group did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies in India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration Number 105102W

H. P. Mahajani
Partner
Membership Number: 030168

Place: Pune
Date : May 26, 2015

Annexure to the Auditor's Report referred to in Point 9 of Report on Other Legal and Regulatory Requirements in our report of even date:

- i (a) The Holding Company and Group Companies in India have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets of the Holding Company and Group Companies in India have been physically verified by the Managements of the respective Companies in accordance with the planned programme of physical verification, which, in our opinion is reasonable having regard to the size of the Companies in the Group and the nature of their assets.
- ii (a) The Management of the Holding Company as well as that of Group Companies in India has conducted physical verification of inventory at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Managements of the Group Companies in India are reasonable and adequate in relation to the size of the Companies and the nature of businesses.
- (c) The Holding Company and the Group Companies in India have maintained proper records of inventories and the discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in books of account of the respective Companies.
- iii Neither the Holding Company nor any of the Group Companies in India, has granted any loans, secured or unsecured, to any of the companies, firms nor other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a) and (b) of the said order are not applicable either to the Holding Company or any of the Group Companies in India.
- iv. In our opinion and according to the information and explanations given to us, the Holding Company and Group Companies in India are having an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. On the basis of our examination of the books and records of the Holding Company and Group Companies in India and according to the information and explanations given to us, we have neither come across, nor have we been informed of, any continuing failure to correct any major weaknesses in the aforesaid internal control system in Holding Company or any of the Indian Group Company.
- v. Neither the Holding Company nor any of the Group Companies in India have accepted any deposits within the meaning of Section 73 of the Act and rules framed there under.
- vi. We have broadly reviewed the books of accounts maintained by the Holding Company, pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the Holding Company has made and maintained prescribed accounts and records. We have not, however, made a detailed examination of the records maintained as aforesaid. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of any of the Group Companies in India.
- vii (a) According to the records of and as per the information and explanation given to us by the Holding Company and its Group Companies in India, all the Companies in India are regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Sales tax, Wealth tax, Service tax, duty of customs, duty of excise, Value added tax, cess and any other applicable statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us and records of the Holding Company and the Group Companies in India examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax, and cess which have not been deposited on account of any dispute except for the following:

Sr. No.	Name of Statute	Nature of Dues	Forum where Dispute is pending	Period	Amount under dispute not deposited (In Rs. Crore)
1	Central Excise Act, 1944	Excise duty	CESTAT	Various	11.44
			Supreme Court	Various	5.44
2	Central Sales Tax Act and local Sales Tax (Including Works Contract)	Sales tax	Appellate Authority up to Commissioner Level	Various	10.35
			Tribunal	Various	1.35
			High Court	Various	1.36
3	Income Tax Act, 1961	Income Tax	Appellate Authority up to Commissioner's level	Various	25.60
4	Service Tax (Finance Act, 1994)	Service Tax	CESTAT, Mumbai	Various	29.11
5	Custom Act 1962	Custom duty	CESTAT	2005-06	0.45

(c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company have been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder. There are no amounts required to be transferred by the Group Companies in India to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. The Holding Company and three of its Indian Group Companies neither have accumulated losses as at the end of the current financial year nor have they incurred cash losses, in the current financial year and in the immediately preceding financial year. Two of the other Indian Group Companies have accumulated losses as at the end of the current financial year as well as have incurred cash losses, in the current financial year and in the immediately preceding financial year. One of the Group Companies is registered for a period of less than five years and accordingly provisions of Clause 3 (viii) of the Order are not applicable to it.
- ix. Based on the records examined by us and according to the information and explanations given to us, neither the Holding Company nor any of the Group Companies in India have defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- x. According to the information and explanations given to us, the Holding Company has given Corporate Guarantees and Letter of Comfort on behalf of its Indian and Overseas Group Companies, as follows:

Sr. No.	Nature of Guarantee	Beneficiary Subsidiary	Issued In Favour Of	To the extent of Amount of Guarantee
1	Letter of Comfort	Thermax Babcock and Wilcox Energy Solutions Private Limited	ICICI Bank	Rs.66.30 Crore
2	Corporate Guarantee	Rifox – Hans Richter GmbH	Syd Bank Germany	Euro 0.45 Million

In our opinion, terms and conditions of such Corporate Guarantees and Letter of Comfort are not prejudicial to the interests of Holding Company or to the interests of the Group as such. None of the other Group Companies in India have given any guarantee for loans taken by others from banks or financial institutions.

- xi. Only one of the Group Companies in India has availed Term Loan. In our opinion, and according to the information and explanations given to us, the said Group Company, during the year, has applied the term loan for the purposes for which obtained. No other Indian Group Company or the Holding Company has availed Term Loan.

- xii. During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any significant instance of fraud on Holding Company or any of the Group Companies in India or instance of fraud by Holding Company or any of the Group Companies in India, either noticed or reported during the year, nor have we been informed of such case by the Management of any of the Indian Group Companies.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

H. P. Mahajani
Partner
Membership Number: 030168

Place: Pune
Date : May 26, 2015

Consolidated Financial Statements

Balance Sheet as at March 31, 2015

Particulars	Note No	(Rs. Crore)	
		As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share capital	1	23.83	23.83
b. Reserves and surplus	2	2122.58	2014.47
		<u>2146.41</u>	<u>2038.30</u>
2. Minority Interest		78.01	139.65
3. Non-current Liabilities			
a. Long-term borrowings	3	494.24	516.65
b. Deferred tax liabilities (Net)	4	-	31.78
c. Other Long-term liabilities	5	69.12	213.91
d. Long-term provisions	6	4.45	2.46
		<u>567.81</u>	<u>764.80</u>
4. Current Liabilities			
a. Short-term borrowings	7	59.18	222.06
b. Trade payables	8	949.22	931.89
c. Other current liabilities	9	1712.11	1581.08
d. Short-term provisions	10	315.57	264.33
		<u>3036.08</u>	<u>2999.36</u>
TOTAL		<u>5828.31</u>	<u>5942.11</u>
II. ASSETS			
1. Non-current Assets			
a. Fixed Assets	11		
i. Tangible assets		1278.49	1335.17
ii. Intangible assets		152.93	191.37
iii. Capital work-in-progress		42.94	53.70
b. Non-current investments	12	0.03	0.03
c. Deferred tax assets (Net)	13	10.39	-
d. Long-term loans and advances	14	29.16	21.32
e. Other non-current assets	15	270.18	215.06
		<u>1784.12</u>	<u>1816.65</u>
2. Current Assets			
a. Current investments	16	821.66	707.86
b. Inventories	17	341.27	415.77
c. Trade receivables	18	1672.99	1468.49
d. Cash and cash equivalents	19	349.43	450.84
e. Short-term loans and advances	20	182.46	190.58
f. Other current assets	21	676.38	891.92
		<u>4044.19</u>	<u>4125.46</u>
TOTAL		<u>5828.31</u>	<u>5942.11</u>

The notes are an integral part of these financial statement.

As per our report of even date
For B. K. Khare & Co.
Chartered Accountants
 Firm Reg No.105102W

For and on behalf of the Board
Meher Pudumjee
Chairperson

M. S. Unnikrishnan
Managing Director & CEO

H. P. Mahajani
Partner
 Membership No. 030168
 Pune, May 26, 2015

Amitabha Mukhopadhyay
*Executive Vice President
 & Chief Financial Officer*

G. P. Kulkarni
*Vice President - Legal &
 Company Secretary*
 Pune, May 26, 2015

Consolidated Financial Statements

Statement of Profit and Loss for the year ended March 31, 2015

		(Rs. Crore)	
Particulars	Note No	2014-15	2013-14
I Revenues from operations (Gross)	22	5549.14	5201.06
Less : Excise Duty		153.62	101.18
Revenues from operations (Net)		5395.52	5099.88
II Other income	23	120.90	71.57
III Total Revenue (I+II)		5516.42	5171.45
IV Expenses :			
Cost of materials consumed	24	2920.59	2703.28
Purchases of Stock-in-Trade		150.57	199.32
Changes in inventories	25	66.52	(40.96)
Employee benefits	26	705.68	701.86
Finance costs	27	81.95	27.36
Depreciation and amortisation	11	134.12	92.15
Other expenses	28	1088.61	1099.10
Total Expenses		5148.04	4782.11
V Profit before exceptional and extraordinary items and tax (III-IV)		368.38	389.34
VI Exceptional items	34	49.42	-
VII. Profit before extraordinary items and tax (V - VI)		318.96	389.34
VIII Extraordinary Items		-	-
IX Profit before tax (VII - VIII)		318.96	389.34
X Tax Expense:	45		
1. Current tax		209.08	181.54
2. Deferred tax		(38.25)	(11.95)
XI Profit after tax (IX- X)		148.12	219.75
XII Less : Minority Interest		(61.64)	(26.24)
XIII Profit (Loss) for the period (XI - XII)		209.77	245.99
XIV Earnings per equity share of Rs. 2/- each			
Basic & Diluted	44	17.60	20.64

The notes are an integral part of these financial statement.

As per our report of even date

For B. K. Khare & Co.

Chartered Accountants

Firm Reg No.105102W

For and on behalf of the Board

Meher Pudumjee

Chairperson

M. S. Unnikrishnan

Managing Director & CEO

H. P. Mahajani

Partner

Membership No. 030168

Pune, May 26, 2015

Amitabha Mukhopadhyay

Executive Vice President

& Chief Financial Officer

G. P. Kulkarni

Vice President - Legal &

Company Secretary

Pune, May 26, 2015

Consolidated Cash Flow Statement

		(Rs. Crore)
	2014-15	2013-14
A Cash flow from Operating activities		
Net profit before tax	318.96	389.34
Add Adjustments for		
Depreciation	134.12	92.15
Provision for Doubtful Debts	54.08	39.12
Interest paid	81.95	27.36
Lease rentals Paid	1.11	2.47
Less Adjustments for		
Interest / Dividend / Brokerage	(59.09)	(48.65)
(Profit)/Loss on sale of Investment	(35.77)	(22.35)
(Profit)/Loss on sale of assets	0.79	0.50
Operating profit before working capital changes	496.14	479.94
Adjustments for		
Trade and Other Receivables	(202.31)	14.88
Inventories	74.50	(91.82)
Trade Payables	89.82	120.55
Cash generated from Operations	458.15	523.56
Direct taxes paid	(140.03)	(202.26)
Net cash from operating activities	318.13	321.30
B Cash flow from operating activities		
Purchase of Fixed Assets	(29.29)	(270.72)
Purchase of Investments	(1,887.68)	(2,031.09)
Proceeds from sale of Investments	1,809.66	1,788.55
Exchange Rate Fluctuation	(18.99)	26.90
Minority Interest Contribution	-	55.62
Interest / Dividend / Brokerage received	59.09	48.65
Net cash from Investing activities	(67.21)	(382.09)
C Cash flow from Financing Activities		
Increase/(Decrease) in borrowings	(185.29)	317.76
Lease rentals paid	(1.10)	(2.49)
Interest paid	(81.95)	(27.36)
Dividend paid and Tax thereon	(83.99)	(97.40)
Net cash from Financing activities	(352.33)	190.51
Net (decrease)/increase in cash & cash equivalents	(101.41)	129.72
Opening cash & bank balances	450.84	321.12
Closing cash & bank balances	349.43	450.84

As per our report of even date
For B. K. Khare & Co.
Chartered Accountants
 Firm Reg No.105102W

For and on behalf of the Board
Meher Pudumjee
Chairperson

M. S. Unnikrishnan
Managing Director & CEO

H. P. Mahajani
Partner
 Membership No. 030168
 Pune, May 26, 2015

Amitabha Mukhopadhyay
Executive Vice President
 & Chief Financial Officer

G. P. Kulkarni
Vice President - Legal &
Company Secretary
 Pune, May 26, 2015

Notes attached to and forming part of the Consolidated Financial Statements

Particulars	Reference to note no	(Rs. Crore)	
		As at March 31, 2015	As at March 31, 2014

Note 1

Share Capital

Equity Share Capital

Authorised :	75.00	75.00
37,50,00,000 Equity Shares of Rs. 2/- each	75.00	75.00
<i>(Previous year 37,50,00,000 equity Shares of Rs. 2/- each)</i>		

Issued, subscribed and fully paid :	23.83	23.83
11,91,56,300 Equity Shares of Rs. 2/- each	23.83	23.83
<i>(Previous year 11,91,56,300 equity Shares of Rs. 2/- each)</i>		

(a) Reconciliation of number of equity shares	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Rs. Crore	Number of Shares	Rs. Crore
Shares outstanding at the beginning of the period	11,91,56,300	23.83	11,91,56,300	23.83
Shares outstanding at the end of the period	11,91,56,300	23.83	11,91,56,300	23.83

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity Shares held by holding company

6,43,28,500 shares are held by holding company, RDA Holdings Pvt. Ltd.
(Previous year 6,43,28,500 shares)

(d) Details of Equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	%	No. of Shares held	%	No. of Shares held
RDA Holdings Pvt. Ltd.	53.99	6,43,28,500	53.99	6,43,28,500
ARA Trusteeship Company Pvt. Ltd.	7.99	95,20,805	-	-
Mrs. Anu Aga	-	-	5.78	68,88,305

Notes attached to and forming part of the Consolidated Financial Statements

(Rs. Crore)			
Particulars	Reference to note no	As at March 31, 2015	As at March 31, 2014
Note 2			
Reserves and Surplus			
Capital Redemption Reserve			
Per Last Balance Sheet		50.34	50.34
Share Premium Reserve			
Per Last Balance Sheet		61.13	61.13
Capital Reserve			
Per Last Balance Sheet		13.10	13.10
Capital Reserve on Consolidation		4.71	4.71
Hedging Reserve			
Per Last Balance Sheet		7.43	22.16
Adjusted to Statement of Profit and Loss		13.27	(14.73)
		<u>20.70</u>	<u>7.43</u>
General Reserve			
Per Last Balance Sheet		436.94	410.94
Less : Impact of Change in Rate of Depreciation (Net of Tax)		1.91	-
Transferred from Surplus		-	26.00
		<u>435.03</u>	<u>436.94</u>
Foreign Currency Translation Reserve		15.57	28.09
Surplus			
Per Last Balance Sheet		1412.73	1276.46
Profit for the year		209.77	245.99
Proposed Equity Dividend		(83.41)	(71.49)
Tax on Dividend		(17.09)	(12.23)
Transfer to General Reserve		-	(26.00)
		<u>1522.00</u>	<u>1412.73</u>
		<u>2122.58</u>	<u>2014.47</u>
Note 3			
Long-Term Borrowings			
Secured :	36.1		
Term loans			
From banks		482.05	498.54
From other than banks		11.65	17.61
Unsecured :	36.2		
Term loans			
From other than banks		0.54	0.50
		<u>494.24</u>	<u>516.65</u>

Notes attached to and forming part of the Consolidated Financial Statements

(Rs. Crore)

Particulars	Reference to note no	As at March 31, 2015	As at March 31, 2014
Note 4			
Deferred tax Liabilities (net)			
A. Deferred Tax Liabilities			
Depreciation on Fixed Assets		-	69.43
Others		-	16.63
Total (A)		-	86.06
B. Deferred Tax Assets			
Provision for Doubtful Debts		-	42.51
Others		-	11.77
Total (B)		-	54.28
Net Deferred Tax Liability (A-B)		-	31.78
Note 5			
Other Long-term Liabilities			
Trade payables	35	27.30	29.63
Customer Advances		40.35	148.46
Trade Deposits		1.47	7.52
Other liabilities		-	28.30
		69.12	213.91
Note 6			
Long-term Provisions			
Long Term Employee Benefits		0.75	0.66
Provision for Warranty	43	1.69	0.83
Others		2.01	0.97
		4.45	2.46
Note 7			
Short-term Borrowings			
Secured :			
From banks	36.1	51.68	120.47
From other than banks		3.13	0.46
Unsecured :			
From banks	36.2	-	96.23
From other than banks		0.06	-
Other loans and advances		4.31	4.90
		59.18	222.06

Notes attached to and forming part of the Consolidated Financial Statements

Particulars	Reference to note no	(Rs. Crore)	
		As at March 31, 2015	As at March 31, 2014
Note 8			
Trade Payables			
Trade payables	35	851.79	882.56
Acceptances		97.43	49.33
		<u>949.22</u>	<u>931.89</u>
Note 9			
Other Current Liabilities			
Contracts in Progress	37	442.57	403.09
Current maturities of long-term debt		63.06	22.68
Interest accrued but not due on loans		0.62	2.78
Customer Advances		1036.90	965.04
Trade Deposits		0.74	0.81
Unpaid dividends		0.75	0.73
Other Liabilities		155.45	171.69
Other Payables		12.02	14.26
		<u>1712.11</u>	<u>1581.08</u>
Note 10			
Short-term Provisions			
Short Term Employee Benefits		107.63	90.96
Proposed Equity Dividend		83.41	71.67
Provision for Tax on Dividend		16.98	12.23
Provision for Warranty	43	84.54	78.73
Others		23.01	10.74
		<u>315.57</u>	<u>264.33</u>

Notes attached to and forming part of the Consolidated Financial Statements

Note 11

Fixed Assets

(Rs. Crore)

Particulars	Gross Block				Depreciation			Net Block	
	Cost as at 01.04.2014	Additions / Adjustment During the year	Deductions / Adjustment During the year	Total Cost as at 31.03.2015	Upto 31.03.2014	Deductions / Adjustment During the year	Provisions During the year	Total as at 31.03.2015	As at 31.03.2015
A. TANGIBLE :									
Land - Freehold	7.36	-	-	7.36	-	-	-	-	7.36
Land - Leasehold	78.73	9.04	-	87.77	2.41	(0.85)	0.98	4.24	83.53
Building	682.53	2.15	33.75	650.93	81.04	11.91	20.95	90.08	560.85
Plant & Machinery	777.09	53.30	7.04	823.35	228.14	6.63	71.63	293.14	530.21
Electrical Installation	47.89	0.76	-	48.65	14.51	(0.12)	3.01	17.64	31.01
Office Equipment & Computer	95.39	8.37	2.78	100.98	63.56	3.61	7.10	67.06	33.92
Furniture & Fixtures	42.17	1.31	1.52	41.96	18.57	1.54	3.44	20.47	21.49
R & D Equipments	3.38	0.31	0.36	3.33	1.96	0.31	0.22	1.87	1.46
Vehicles	20.53	2.04	3.22	19.35	10.43	2.14	2.61	10.90	8.45
Asset Held for Sale									0.21
Total Tangible Assets (A)	1755.07	77.28	48.67	1783.68	420.62	25.16	109.94	505.41	1278.49
B. INTANGIBLE :									
Goodwill	160.74	(29.34)	-	131.40	27.31	6.30	8.13	29.14	102.26
Software	44.76	5.57	1.40	48.93	38.28	1.07	4.15	41.32	7.61
Technical Knowhow	83.58	3.40	-	86.98	32.13	0.11	11.90	43.92	43.06
Total Tangible Assets (B)	289.08	(20.37)	1.40	267.31	97.72	7.50	24.18	114.39	152.93
Total Fixed Assets (A+B)	2044.15	56.91	50.07	2050.99	518.34	32.67	134.12	619.80	1431.42
Previous Year	1296.23	764.02	16.10	2044.15	423.55	(2.64)	92.15	518.34	1526.54
Capital WIP									42.94

(Rs. Crore)

Particulars	Reference to note no	As at March 31, 2015	As at March 31, 2014
-------------	----------------------	----------------------	----------------------

Note 12

Non-current Investments

Non trade :

Investments in Equity Instruments :

Quoted Equity Shares (fully paid up)	0.03	0.03
Quoted Equity Shares (partly paid up)	0.06	0.06
Unquoted Equity Shares (fully paid up)	0.07	0.07
Equity Shares in Subsidiary (fully paid up)	3.52	3.52

Investments in Preference Shares :

Unquoted Preference Shares (fully paid up)	0.02	0.02
	<u>3.70</u>	<u>3.70</u>

Provision for Diminution in value of investments

	3.67	3.67
	<u>0.03</u>	<u>0.03</u>

Notes attached to and forming part of the Consolidated Financial Statements

Particulars	Reference to note no	(Rs. Crore)	
		As at March 31, 2015	As at March 31, 2014
Note 13			
Deferred tax Assets (net)			
A. Deferred Tax Assets			
Provision for Doubtful Debts		60.81	-
Others		28.17	-
Total (A)		88.98	-
B. Deferred Tax Liabilities			
Depreciation on Fixed Assets		64.76	-
Others		13.83	-
Total (B)		78.59	-
Net Deferred Tax Asset (A-B)		10.39	-
Note 14			
Long-term Loans and Advances			
Unsecured, considered good			
Capital Advances		1.34	1.07
Security Deposits		14.70	11.00
Housing Deposit to Key Managerial Personnel		0.58	0.58
Advances recoverable in cash or kind		0.31	5.04
Advances to Staff and Workers		2.72	3.00
Other loans and advances		9.51	0.63
		29.16	21.32
Note 15			
Other Non-current Assets			
Long Term Trade Receivables			
Unsecured Considered good		98.64	47.39
Considered doubtful		-	-
Less : Provided for		-	-
Fixed Deposit with more than 12 month in maturity	19	24.00	0.12
Balance in Central Excise & Customs Accounts		12.31	14.67
Advance Income Tax (Net of Provisions)		33.73	62.51
Sales Tax Recoverable		99.34	88.96
Others		2.16	1.41
		270.18	215.06

Notes attached to and forming part of the Consolidated Financial Statements

(Rs. Crore)			
Particulars	Reference to note no	As at March 31, 2015	As at March 31, 2014
Note 16			
Current Investments			
Non trade :			
Investments in Mutual Funds		821.66	707.86
		<u>821.66</u>	<u>707.86</u>
Note 17			
Inventories			
Raw materials		223.75	233.74
Work-in-progress		53.50	119.58
Finished goods		21.23	18.85
Stores and spares		2.87	2.08
Stock-in-trade		39.92	41.52
		<u>341.27</u>	<u>415.77</u>
Note 18			
Trade Receivables			
Unsecured:			
Outstanding for a period exceeding 6 months from the date they are due for payment :			
Considered good		204.56	234.39
Considered doubtful		213.93	159.85
Less : Provided for		213.93	159.85
Others		1468.43	1234.10
		<u>1672.99</u>	<u>1468.49</u>
Note 19			
Cash and Cash Equivalents			
Cash on hand		0.34	1.07
Balances with banks			
In current accounts		50.03	64.79
In Deposits with more than 12 months in maturity		24.00	0.12
In Other Deposits		287.61	373.79
In Unpaid dividend account		0.75	0.73
Cheques, drafts on hand		10.70	10.47
		<u>373.43</u>	<u>450.96</u>
Less : Deposit with more than 12 month in maturity disclosed under Other non-current assets	15	24.00	0.12
		<u>349.43</u>	<u>450.84</u>

Notes attached to and forming part of the Consolidated Financial Statements

Particulars	Reference to note no	(Rs. Crore)	
		As at March 31, 2015	As at March 31, 2014
Note 20			
Short-term Loans and Advances			
Unsecured, considered good			
Advances recoverable in cash or kind		168.86	173.90
Security Deposits		6.13	8.33
Advances to Staff and Workers		7.09	6.62
Loans and advances to related parties		0.36	1.65
Others		0.02	0.08
		<u>182.46</u>	<u>190.58</u>
Note 21			
Other Current Assets			
Contracts in Progress	37	432.14	614.27
Prepaid Long Term Employee Benefits (Gratuity)	40	9.44	14.39
Balance in Central Excise & Customs Accounts		69.50	80.22
Advance Income Tax (Net of Provisions)		52.87	92.52
Foreign Currency Forward Contract		19.80	1.71
Sales Tax Recoverable		12.72	3.28
Other current assets		79.91	85.53
		<u>676.38</u>	<u>891.92</u>

Notes attached to and forming part of the Consolidated Financial Statements

Particulars	Reference to note no	2014-15	(Rs. Crore) 2013-14
Note 22			
Revenue from Operations			
A. Sale			
(i) India		3471.06	2443.33
Add : Closing Contracts in Progress		(88.46)	141.81
Less : Opening Contracts in Progress		141.81	(61.81)
Total (i)		3240.79	2646.95
(ii) Outside India		1442.91	1680.23
Add : Closing Contracts in Progress		143.46	85.79
Less : Opening Contracts in Progress		85.79	132.56
Total (ii)		1500.58	1633.46
Total (A)		4741.37	4280.41
B. Sale of Services			
(i) India		628.18	725.24
(ii) Outside India		123.70	123.84
Total (B)		751.88	849.08
C. Other Operating Revenues			
Claims and Refunds		5.64	8.56
Balances earlier Written Off now Recovered		0.62	0.13
Commission		4.77	5.22
Sale of Scrap		16.01	23.73
Profit on Sale of Assets		0.03	0.60
Provision for Doubtful Debt Written-back		1.94	7.30
Interest Income		0.01	0.01
Miscellaneous Income		26.87	26.02
Total (C)		55.90	71.57
D. Less: Excise duty		153.62	101.18
Revenue from Operations (Net) (A + B + C - D)		5395.52	5099.88
Note 23			
Other Income			
Interest Income		33.32	30.08
Dividend Income			
Long-term Investment		0.00	0.00
Current Investment		22.06	15.13
Net gain/loss on Sale of Investments			
Long-term Investment		35.77	22.15
Current Investment		0.01	0.20
Other Non-operating Income		3.71	3.44
Exchange Difference Income		26.03	0.57
		120.90	71.57

Notes attached to and forming part of the Consolidated Financial Statements

Particulars	Reference to note no	2014-15	(Rs. Crore) 2013-14
Note 24			
Cost of Material Consumed			
Consumption of raw materials and components			
Opening Stocks		230.60	181.08
Add: Purchases		2916.61	2752.80
		3147.21	2933.88
Less: Closing Stocks		226.62	230.60
		2920.59	2703.28
Note 25			
Changes in Inventories			
Opening Stocks:			
Work-in-Progress		120.55	89.46
Finished Goods		13.99	18.08
Stock in Trade		46.63	32.67
		181.17	140.21
Less: Closing Stocks :			
Work-in-Progress		53.50	120.55
Finished Goods		21.23	13.99
Stock in Trade		39.92	46.63
		114.65	181.17
		66.52	(40.96)
Note 26			
Employee Benefits Expense			
Salaries and wages		639.47	643.13
Contribution to provident and other funds	40	43.14	38.77
Staff welfare expenses		23.07	19.96
		705.68	701.86
Note 27			
Finance Costs			
Interest expense		81.15	26.53
Other borrowing costs		0.05	0.66
Applicable net gain/loss on foreign currency transactions and translation		0.75	0.17
		81.95	27.36

Notes attached to and forming part of the Consolidated Financial Statements

Particulars	Reference to note no	(Rs. Crore)	
		2014-15	2013-14
Note 28			
Other Expenses			
Consumption of stores and spare parts		35.16	37.29
Power and Fuel		38.15	39.24
Drawing, Design and Technical Service Charges		57.47	52.41
Site Expenses and Contract Labour Charges		250.96	319.49
Erection, Fabrication Charges etc.		154.59	117.18
Freight Outward		49.09	77.53
Commission on Sales		46.47	26.00
Other Selling and Distribution Expenses		42.84	27.87
Free of Cost Supplies and Modifications		49.26	24.08
Bad Debts		4.84	10.03
Provision for Doubtful Debts		53.09	48.66
Liquidated Damages		14.75	11.20
Rent and Service Charges		16.84	19.00
Rates and taxes, excluding taxes on income		7.40	6.12
Insurance		10.33	12.15
Repairs to buildings		7.41	5.04
Repairs to machinery		15.98	15.05
Repairs - others		14.55	12.48
Communication		11.84	11.90
Traveling and Conveyance		76.35	68.70
Advertising and Exhibition Expenses		1.69	1.94
Legal & Professional Charges		54.39	48.30
Printing and Stationery		3.94	4.30
Bank Charges		11.24	11.25
Additional Sales Tax and Turnover Tax		11.58	18.86
Net loss on foreign currency transactions and translation		-	41.67
Loss on Assets sold/discarded (net)		0.82	1.09
Premium on Forward Contracts (net)		-	1.40
Balances Written Off		0.10	0.02
Donations		10.15	6.13
Miscellaneous Expenses		37.32	22.74
		1088.61	1099.10

Notes attached to and forming part of the Consolidated Financial Statements

29. The Consolidated Financial Statements (CFS) pertains to Thermax Ltd. and its twenty two subsidiaries of which sixteen are overseas subsidiaries. In the CFS, the term "Parent" refers to Thermax Ltd. and "Group" refers to the Parent along with its subsidiaries.
30. The CFS envisage combining of financial statements of Thermax Ltd and its following domestic and foreign subsidiaries:

Sr. No.	Name of the Subsidiary Company	Country of Incorporation	% voting power held by Parent as on March 31, 2015
1	Thermax Engineering Construction Co. Ltd.	India	100
2	Thermax Instrumentation Limited	India	100
3	Thermax Onsite Energy Solutions Limited	India	100
4	Thermax Sustainable Energy Solutions Limited	India	100
5	Thermax SPX Energy Technologies Limited	India	51
6	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	India	51
7	Thermax International Limited	Mauritius	100
8	Thermax Europe Limited	UK	100
9	Thermax Inc.	USA	100
10	Thermax do Brasil-Energia e Equipamentos Ltda.	Brazil	100
11	Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd.	China	100
12	Thermax Netherlands B.V.	Netherlands	100
13	Thermax Denmark ApS	Denmark	100
14	Danstoker A/S	Denmark	100
15	Ejendomsanpartsselskabet Industrivej Nord 13 (EIN)	Denmark	100
16	Rifox-Hans Richter GmbH Spezialarmaturen	Germany	100
17	Thermax SDN.BHD	Malaysia	100
18	Boilerworks A/S	Denmark	100
19	Boilerworks Properties ApS	Denmark	100
20	PT Thermax International Indonesia*	Indonesia	95
21	Thermax Engineering Singapore Pte. Ltd.*	Singapore	100
22	Thermax Senegal S.A.R.L.*	Senegal	100

* Incorporated during the year

Thermax Hong Kong Ltd. has not been considered for consolidation as the same has become 'Dormant' company during FY 2009-10.

Omnical Kessel & Apparatebau GmbH which is a step down subsidiary of Danstoker A/S has been placed under administration since 9th September 2014, revenues up to that date have been consolidated in financials.

31. Significant Accounting Policies

31.1 Basis for Preparation of Financial Statements

Accounts of the Parent and its subsidiaries have been prepared under the historical cost convention on an accrual basis and comply with applicable accounting standards.

31.2 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of

Notes attached to and forming part of the Consolidated Financial Statements

financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual outcome and estimates are recognised in the period in which the outcome is known or materialises.

31.3 Principles of Consolidation :

- The financial statements of the Parent and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book value of like item of assets, liabilities, income and expenses, after eliminating intra group balance and unrealised profit / losses on intra group transactions, and are presented to the extent possible, in the same manner as the Parent's independent financial statements in accordance with Accounting Standard 21(AS 21) – Consolidated Financial Statements.
- The excess / deficit of cost to the Parent of its investment over its portion of equity in the Subsidiary at the respective dates on which the investment in such Subsidiary was made is recognised in CFS as goodwill / capital reserve.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investment is made by the company in the subsidiary companies and further movement in their share in the equity, subsequent to the date of investment.

31.4 Foreign Currency Translation

Indian Rupee is the reporting currency for the Group. However, the local currency of overseas subsidiaries is different from the reporting currency of the Group. All the overseas subsidiaries have been classified as non-integral operation according to Accounting Standard 11. Therefore, in respect of overseas subsidiaries, all the assets and liabilities are translated using exchange rate prevailing at the Balance Sheet date and revenue, cost and expenses are translated using average exchange rate prevailing during the reporting period. The resultant translation exchange gain/loss has been disclosed as "Foreign Currency Translation Reserve" under the Reserves & Surplus.

31.5 Fixed Assets – Tangible and Intangible Assets

- Tangible fixed assets are stated at cost (net of refundable taxes and levies) and include any other attributable cost for bringing the assets to working condition for their intended use.
- Borrowing costs, attributable to fixed assets, are capitalised.
- Expenditure incurred on acquisition or as the case may be, on development of goodwill, technical know how, software, patents, research and development and such other intangibles is recognised as an Intangible Asset if it is expected that such asset will generate future economic benefits not less than its carrying cost.

31.6 Depreciation

- Cost incurred on Leasehold land is amortised over the period of lease.
- The management has carried out an estimation of the useful lives of fixed assets of domestic group companies based on internal and external technical evaluation. Based on such evaluation, in respect of the following categories of fixed assets, useful life differs from that specified in the Schedule II to the Companies Act 2013 :

Asset Category	Company's Estimate of Useful Life (Years)
Plant & Machinery	5 to 20
Roads	5 to 30
Office Equipment	15
Electrical Installation & Equipment	15
Computers & Data Processing Units	4 to 6

- Intangible assets are amortised on the straight line method over the estimated useful life of such assets. An asset's useful life is estimated based on an evaluation of the future economic benefits expected of such assets.

Notes attached to and forming part of the Consolidated Financial Statements

31.7 Assets Impairment

Provision for impairment loss, if any, is recognized to the extent to which the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is determined on the basis of the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

31.8 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary in nature, in the carrying amount of such long term investments.

31.9 Inventories

- a. Inventories are valued at lower of cost and net realisable value.
- b. Cost of raw materials, components, consumables, stores & spares, patterns & tools are valued at weighted average cost.
- c. Cost of finished goods & work in progress is arrived at on the basis of weighted average cost of raw materials and the cost of conversion thereof for bringing the inventories to their present location and condition.
- d. Inventory obsolescence is provided for on the basis of standard norms.

31.10 Employee Benefits

a. Provident Fund

Liability on account of obligation under the employee's provident fund, a defined contribution plan, is charged to the statement of profit and loss on the basis of the statutory liability to contribute.

b. Superannuation Fund

Liability on account of obligation under the employees' superannuation fund, a defined contribution plan, is charged to the statement of profit and loss on the basis of the plan's liability to contribute.

c. Gratuity

- i. Liability on account of obligation under the employee gratuity plan, a defined benefit plan, is provided on the basis of actuarial valuation.
- ii. Fair value of plan assets, being the fund balance on the balance sheet date with Insurance Companies under group gratuity-cum-life assurance policy, is recognised as an asset.
- iii. Current service cost, interest cost and actuarial gains and losses are charged to the statement of profit and loss.
- iv. Past service cost/effect of any curtailment or settlement is charged/credited to the statement of profit and loss, as applicable.

d. Compensated Absences

Liability on account of obligation under the employees' leave policy is charged to the statement of profit and loss at the undiscounted amount of such liability calculated with reference to leave earned but not availed as at the balance sheet date.

e. Medical and Leave Travel Assistance benefits

Liability on account of obligation under the employees' medical reimbursement scheme and leave travel assistance is charged to the statement of profit and loss at the undiscounted amount of such liability.

Notes attached to and forming part of the Consolidated Financial Statements

f. Bonus & Employee's Short Term Incentive Plan

Liabilities on account of obligations under statutory regulations, agreement with trade unions and employees' short term incentive plan, as applicable, are charged to the statement of profit and loss at the undiscounted amount of such liability.

31.11 Provisions and Contingent Liabilities

- a. Provisions in respect of present obligations arising out of past events are made when reliable estimates can be made of those. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- b. Provisions for warranty obligations are made on substantial completion of contracts based on technical evaluation and past experience.
- c. Contingent liabilities are disclosed by way of notes to the financial statements, after careful evaluation by the management of the facts and legal aspects of each matter involved.

31.12 Revenue Recognition

- a. Revenue in respect of products is recognized on dispatch of goods to customers or when they are unconditionally appropriated to the concerned contracts.
- b. Revenue in respect of projects for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods is recognized on the basis of percentage of completion method.
- c. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management (some of which are of a technical nature) of the costs to completion, the expected revenues from each contract (adjusted for probable liquidated damages, if any) and the foreseeable losses to completion.
- d. Stage of completion of each contract is determined by the proportion that aggregate contract costs incurred for work done till the balance sheet date bear to the estimated total contract cost.
- e. The difference between costs incurred plus recognized profits / less recognized losses and the amount of invoiced sales is disclosed as contracts in progress.
- f. Supply of spare parts and services are accounted for on 'as billed' basis.
- g. Revenue in respect of long-term service contracts and maintenance contracts is recognized on the basis of stage of completion or time proportion as the case may be.
- h. Dividend from investments is recognized when the right to receive the dividend is established.
- i. Government Grants
 - * A Government grant is accounted for when there is reasonable certainty of compliance with its conditions and its ultimate collection.
 - * Revenue expenses (net of government grants, if any) incurred during research and development phase of internal projects are recognised as and when incurred.
 - * Any Intangible asset (net of government grants, if any) arising from the development phase of such projects is recognised to the extent there is reasonable certainty of generating sufficient future economic benefits through commercial exploitation of such asset.

Notes attached to and forming part of the Consolidated Financial Statements

31.13 Borrowing Costs

- a. Borrowing costs on working capital are charged to the statement of profit and loss in the year incurred.
- b. Borrowing costs attributable to the acquisition of a tangible fixed asset are capitalized till the date of substantial completion of the activities necessary to prepare the relevant asset for its intended use.
- c. Borrowing costs that are attributable to the acquisition or development of intangible assets are capitalized till the date they are put to use.

31.14 Foreign Currency Transactions

- a. Transactions in foreign currencies are recorded at the exchange rates prevailing on the respective dates of the transactions.
- b. Exchange differences on settlement of transactions in foreign currencies is recognized in the statement of profit and loss.
- c. Assets (other than fixed assets) and liabilities denominated in foreign currency are translated at the closing exchange rates, or in cases covered by forward exchange contracts, at the spot exchange rate prevailing at the inception of the forward exchange contract.
- d. Revenue items of any foreign branch are translated at the relevant currency's average rate for the year.

31.15 Hedge Accounting

The Group uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations. In terms of the risk management strategy, the Group does not use forward cover contracts for trading or speculative purposes.

Foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of such contracts, which are designated and effective are recorded in the Hedging Reserve account.

The accumulated changes in fair value recorded in the hedging reserve account are transferred to the statement of profit and loss in the same period during which the underlying transactions affect the statement of profit and loss and / or the foreign currency forward contract expires or is exercised, terminated or no longer qualifies for hedge accounting.

31.16 Taxes on Income

- a. Current tax is provided on the basis of estimated tax liability, computed as per applicable provisions of tax laws.
- b. Deferred tax is recognized, subject to the consideration of prudence, in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

31.17 Others

- a. A Liability for liquidated damages is recognised when it is deducted or claimed by the customer or when a reasonable estimate of the likely obligation can be made.
- b. Provision for doubtful debts is made on the basis of standard norms in respect of debtors outstanding beyond predefined period and also, where required, on actual evaluation.

Notes attached to and forming part of the Consolidated Financial Statements

32. Contingent Liabilities and Commitments

32.1 Contingent Liabilities

a. Excise, Customs Duty & Service Tax

Disputed demands in respect of Excise, Customs Duty & Service Tax Rs. 39.13 Crore (Previous year Rs. 45.22 Crore), Sales Tax Rs. 25.30 Crore (Previous year Rs. 19.51 Crore) and other Statutes Rs. 0.15 Crore (Previous year Rs.0.14 Crore)

b. Income Tax

i. Income Tax demands disputed in appellate proceedings Rs. 51.96 Crore (Previous year Rs.24.41 Crore)

ii. References / Appeals preferred by Income Tax department in respect of which, should the ultimate decision be unfavorable to the Group, the liability is estimated to be Rs. 54.39 Crore (Previous year Rs. 59.94 Crore)

c. Liability for unexpired export obligations Rs. 68.60 Crore (Previous year Rs.46.44 Crore)

d. Claims against Group not acknowledged as debts Rs. 18.90 Crore (Previous year Rs. 10.01 Crore)

e. Bills Discounted with banks Rs. 16.79 Crore (Previous year Rs. 5.95 Crore)

32.2 Commitments

a. Liability in respect of partly paid shares Rs. 0.19 Crore (Previous year Rs.0.19 Crore)

b. Future Lease obligations payable on non-cancelable operating leases Rs. 2.15 Crore (Previous year Rs.7.36 Crore)

c. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 35.25 crore (Previous year Rs. 46.81 crore)

33. The Company has received show cause-cum-demand notices from the Commissioner of Central Excise (duty amount aggregating to Rs. 873.63 crores against which the Company should be entitled to claim CENVAT credit in accordance with provisions of law) for the periods upto September 2014, as to why Excise Duty should not be levied on assessable value of Boilers inclusive of cost of 'Bought Out items'. The Company has from time to time replied to these notices contesting the same. The Excise authorities are yet to adjudicate the issue. Based on an independent legal opinion, the Company is confident of the issue being ultimately decided in its favour.

34. Exceptional Item

The exceptional item of Rs. 49.42 Crore represents loss against investment in 'Omnicall Kessel – Und Apparatebau GmbH' which is a German subsidiary of Danstoker A/S. The subsidiary has been placed under administration since 9th September 2014.

35. Micro & Small Enterprises

Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED) have been identified to the extent of information available with the company. This has been relied upon by the auditors. Sundry Creditors include following amount due to MSMED parties :

(Rs. Crore)

Sr. No.	Particulars	2014-15			2013-14		
		Principal	Interest	Total	Principal	Interest	Total
a)	Total Outstandings dues to micro and small enterprises	87.80	0.05	87.85	60.81	0.05	60.86
b)	Amount of Interest paid in terms of Section 16 of MSMED Act alongwith the principal amount of the payment made to supplier beyond appointed day	7.55	0.06	7.61	3.48	0.01	3.49
c)	Outstanding Interest (where principal amount has been paid off to the supplier but interest amount is outstanding as on March 31)	NA	0.05	0.05	NA	-	-

Notes attached to and forming part of the Consolidated Financial Statements

36. Loans And Borrowings

36.1 Secured Loans

- i) Secured loans includes Term loans secured by first charge on moveable properties, all rights, title and interests of the borrower and second charge on raw material stock, semi finished goods, finished goods, book debts and by way of deposit of title deeds for immoveable property of the company mainly plot of land and all construction thereon.
- ii) Working capital facilities (packing credits, shipping loans, cash credits & overdrafts) from banks are secured by hypothecation of present and future stock of raw materials, consumables, spares, semi finished goods, finished goods and book debts.
- iii) Loan from Department of Bio Technology Rs. 0.23 Crore (Previous Year Rs.0.15 Crore) and is being repaid in ten half yearly instalments starting from December 2014. Loan is secured by hypothecation of R&D equipments purchased out of these funds.

36.2 Unsecured Loan

- i) Packing Credit of Rs. Nil (Previous Year Rs. 96 Crore) is availed from banks.
- ii) Unsecured loan from Indo-German Science & Technology Centre Rs. 0.60 Crore (Previous year Rs. 0.50 Crore) due for repayment in 10 half yearly instalments starting from November 2015.

37 Contracts in Progress (CIP)

(Rs. Crore)			
Sr. No.	Particulars	2014-15	2013-14
a)	Aggregate amount recognised as Contract Revenue (RR) for the Year	3535.92	4921.16
b)	In respect of contracts in progress as on 31 st March :		
	1. Aggregate amount of costs incurred and recognised profits (less recognised losses) (including amounts carried forward from previous years)	14659.11	14075.74
	2. Amount of Customer Advances received	1395.17	1005.46
	3. Amount of Retentions	577.55	560.99
c)	Gross amount due from customers for contract work	432.14	614.27
d)	Gross amount due to customers for contract work	442.57	403.09

38. Pursuant to the provisions of Section 135 of the Companies Act, 2013, the company has contributed Rs. 10.08 crore to Thermax Social Initiative Foundation as donation towards carrying out activities eligible under Corporate Social Responsibility Rules.

39. Auditors' Remuneration

Other expenses include:

(Rs. Crore)		
	2014 - 15	2013 - 14
a) Auditors' Remuneration (excluding service tax)		
i) As Auditors	0.87	0.84
ii) For Taxation matters (including Tax Audits)	0.45	0.64
iii) Certification fees	0.10	0.14
iv) Reimbursement of expenses	0.20	0.01

Notes attached to and forming part of the Consolidated Financial Statements

40 Defined Benefit Plans for Employees (AS 15)

As per Actuarial valuation as on March 31, 2015 and recognised in financial statements in respect of Gratuity schemes:
of Parent and it's domestic subsidiaries

(Rs. Crore)

I	Components of Employer expense	2014-15	2013-14
a	Current service cost	4.56	4.12
b	Interest Cost	5.57	5.29
c	Expected Return on Plan Assets	(7.19)	(6.80)
d	Actuarial (Gain) / Loss	6.07	2.48
e	Total Expense recognised in the Statement of profit and loss	9.01	5.09

II	Net Assets / (Liability) recognised in Balance Sheet as at 31st March	2014-15	2013-14
a	Present Value of Obligation	81.70	74.60
b	Fair Value of Plan Assets	90.81	88.88
c	(Asset)/Liability recognised in the Balance Sheet	(9.11)	(14.28)

III	Change in Gratuity Obligation during the year	2014-15	2013-14
a	Present Value of Obligation as at 1st April	74.60	70.05
b	Current Service Cost	4.56	4.12
c	Interest Cost	5.57	5.29
d	Actuarial (Gain)/ Loss	6.95	3.02
e	Benefit Paid	(9.98)	(7.88)
f	Present Value of Obligation as at 31st March	81.70	74.60

IV	Changes in the Fair Value of Plan Assets	2014-15	2013-14
a	Present Value of Plan Assets as at 1st April	88.88	80.95
b	Expected Return on Plan Assets	7.19	6.80
c	Actual Company Contribution	1.85	0.93
d	Benefits Paid	(8.00)	(0.35)
e	Actuarial Gain / (Loss)	0.88	0.55
f	Present Value of Plan Assets as at 31st March	90.81	88.88

Notes attached to and forming part of the Consolidated Financial Statements

V	Actuarial Assumptions		2014-15	2013-14
	A	Discount Rate	8% p.a.	8% p.a.
	B	Expected Rate of Return	8%-9% p.a.	8%-9% p.a.
	C	Mortality Table	2006-08 Ultimate	2006-08 Ultimate
	D	Rate of escalation in Salary	7% p.a.	7% p.a.

Vi Amounts recognised in current year and previous four years

(Rs. Crore)

Gratuity	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined Benefit Obligation	81.70	74.60	68.92	65.83	50.61
Plan Asset	90.81	88.88	80.17	65.94	52.47
(Surplus) / Deficit	(9.11)	(14.28)	(10.75)	(2.51)	(1.86)
Experience adjustments in plan liabilities	7.01	3.39	2.31	11.12	13.87
Experience adjustments in plan asset	0.89	0.54	1.27	0.68	0.67

Vii The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

Particulars	2014-15	2013-14
Gratuity		
Investments with Insurer (LIC of India)	100%	100%

viii Defined Contribution Plans amount recognised in the Statement of profit and loss

(Rs. Crore)

Particulars	2014-15	2013-14
Provident Fund and Other Funds	34.52	33.26

ix Expected Contribution to funds in next year

The Group expects to contribute Rs. 1.55 Crore to Gratuity Fund in FY 2015-16.

41. Segment Reporting

- a) The Group has disclosed Business Segment as the primary segment. Segments have been identified by the Management taking in to account the nature of the products, manufacturing process, customer profiles, risk and reward parameters and other relevant factors.

The Group's operations can be mainly classified into two primary segments, 'Energy' and 'Environment'. Composition of business segments is as follows:

Segment	Products Covered
a) Energy	Boilers and Heaters, Absorption Chillers/Heat Pumps, Power Plants, Solar Equipment, Related Services.
b) Environment	Air Pollution Control Equipments/ Systems, Water & Waste Recycle Plants, Ion Exchange Resins & Performance Chemicals, Related Services.

Notes attached to and forming part of the Consolidated Financial Statements

- b) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

The expenses, which are not directly attributable to the business segment, are shown as unallocated cost.

Assets and Liabilities that can not be allocated between the segments are shown as a part of unallocated Assets and Liabilities respectively.

- c) Secondary segments have been identified with reference to the geographical location of external customers. Composition of secondary segments is as follows:

India

Outside India

- d) Inter-segment transfer price is arrived at on the basis of cost plus a reasonable mark-up.

(Rs. Crore)

Particulars	2014-15				2013-14			
	Energy	Environment	Others	Total	Energy	Environment	Others	Total
Revenue :								
Gross Revenue	4441.51	1104.05	-	5545.56	4057.56	1086.76	0.40	5144.72
Less : Intersegment Revenue	0.33	149.71	-	150.04	5.51	39.33	-	44.84
Net Revenue	4441.18	954.34	-	5395.52	4052.05	1047.43	0.40	5099.88
Result :								
Segment Result	320.05	79.29	(2.43)	396.92	364.15	63.72	(3.31)	424.57
Unallocated expenses net of unallocated income				(53.41)				7.87
Operating Profit				450.32				416.70
Interest expenses				81.95				27.36
Exceptional Items				49.42				-
Taxation for the year				170.83				169.59
Net Profit				148.12				219.75
Other Information :								
Segment Assets	3793.96	769.84	9.10	4572.90	3799.82	784.90	9.25	4593.97
Unallocated Corporate assets				1255.41				1348.14
Total Assets				5828.31				5942.11
Segment Liabilities	2439.59	443.59	(2.93)	2880.25	2439.31	426.79	0.73	2866.84
Unallocated Corporate Liabilities				723.64				897.32
Total Liabilities				3603.89				3764.16
Capital expenditure	11.66	16.91	-	28.56	251.19	33.19	(2.13)	282.25
Depreciation	119.80	13.91	0.41	134.12	78.77	12.72	0.66	92.15
Non-cash expenses other than Depreciation	8.13			8.13	8.12			8.12

Notes attached to and forming part of the Financial Statements

II) Information about Secondary Segments :

	(Rs. Crore)	
Particulars	2014-15	2013-14
Revenue		
India	3802.12	3436.54
Outside India	1593.40	1663.34
Total	5395.52	5099.88
Carrying amount of Segment Assets :		
India	3946.46	3839.88
Outside India	626.44	754.09
Additions to Fixed assets :		
India	23.65	223.49
Outside India	4.91	58.76

42. Related Party Disclosures

Related party disclosures, as required under Accounting Standard 18 issued by The Institute of Chartered Accountants of India, are given below:

Relationship :

- Holding Company: RDA Holdings Pvt. Ltd.
- Individuals having control or significant influence over the Group by reason of voting power, and their relatives :
Mrs. Anu Aga - Chairperson
Mrs. Meher Pudumjee - Director
Mr. Pheroz Pudumjee - Director
- Enterprise, over which control is exercised by individuals listed in '(b)' above
Thermax Social Initiative Foundation,
KRA Holding Pvt. Ltd.
Shuffle Realtors Pvt. Ltd. (Up to April 30, 2014)
ARA Trusteeship Company Pvt Ltd
- Key Management Personnel :
Mr. M S Unnikrishnan - Managing Directors & CEO

The following transactions were carried out during the year with Related Parties in the ordinary course of business :

Nature of Transactions with persons referred to "b", "c" and "d"

	(Rs. Crore)	
	2014-15	2013-14
Rent Paid	0.36	0.32
Managerial Remuneration	3.31	2.68
Sitting Fees	0.17	0.08
Commission	0.63	0.42
Loan, Advance/ Deposits Outstanding at the end of the year	0.58	0.58
Donation paid to Thermax Social Initiative Foundation	10.08	6.03

Notes attached to and forming part of the Financial Statements

43. Disclosure as required by AS - 29 (Contingent Liabilities and Provisions) :

(Rs. Crore)

Particulars	Warranty Provision	
	2014-15	2013-14
Opening Balance (as on 1st April)	79.56	77.71
Additions during the year	52.40	35.21
Utilisation during the year	31.48	8.23
Reversals during the year	14.26	25.14
Closing Balance (as on 31st March)	86.23	79.56

44. Earnings Per Share

Earnings Per Share (EPS) calculated in accordance with Accounting Standard 20 issued by The Institute of Chartered Accountants of India.

Particulars	2014-15	2013-14
Net Profit after tax and minority interest but before extra-ordinary items (Rs. Crore)	209.77	245.99
Weighted average number of Equity shares of Rs. 2/- each	11,91,56,300	11,91,56,300
Basic & Diluted EPS before Extra-ordinary items (Rs.)	17.60	20.64
Net Profit after tax, minority interest and extra-ordinary items (Rs. Crore)	209.77	245.99
Basic & Diluted EPS after Extra-ordinary items (Rs.)	17.60	20.64

45. For the year ended March 31, 2015, tax expense and finance cost (net) include Rs. 4.41 Crore and Rs. 9.56 Crore respectively, being provision made for estimated additional liability likely to arise upon settlement of the case in accordance with the provisions of Income Tax Act, 1961. Consequent deferred tax credit as on March 31, 2015 of Rs. 8.93 Crore has also been recognized. For the year ended March 31, 2014, the tax expense includes Rs. 34.75 Crore being provision for estimated liability towards this matter.

46. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Venture

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	% of Consolidated net assets	Amount (Rs. Crore)	% of Consolidated profit or loss	Amount (Rs. Crore)
Parent Company				
Thermax Limited	105.6%	2,266.82	160.1%	335.94
Subsidiaries				
Indian				
Thermax Engineering Construction Co. Ltd.	1.8%	37.91	2.8%	5.78
Thermax Instrumentation Limited	0.2%	3.65	1.8%	3.69
Thermax Onsite Energy Solutions Limited	1.1%	24.59	0.5%	1.09
Thermax Sustainable Energy Solutions Limited	0.0%	0.06	-0.4%	(0.92)

Notes attached to and forming part of the Financial Statements

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	% of Consolidated net assets	Amount (Rs. Crore)	% of Consolidated profit or loss	Amount (Rs. Crore)
Thermax SPX Energy Technologies Limited	0.4%	9.63	-1.0%	(2.12)
Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	7.2%	154.74	-59.0%	(123.69)
Foreign				
Thermax International Limited	0.2%	4.75	0.1%	0.17
Thermax Europe Limited	1.6%	35.20	2.1%	4.39
Thermax Inc.	1.0%	21.81	2.7%	5.57
Thermax do Brasil-Energia e Equipamentos Ltda.	0.0%	0.49	-0.1%	(0.12)
Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd.	1.6%	35.10	0.6%	1.23
Thermax Netherlands B.V.	6.4%	136.31	-0.1%	(0.23)
Thermax Denmark ApS,	4.3%	92.58	-37.7%	(79.01)
Rifox-Hans Richter GmbH Spezialarmaturen	0.2%	4.00	-0.3%	(0.73)
Thermax SDN.BHD	0.0%	0.94	0.0%	0.05
PT Thermax International Indonesia	0.2%	4.65	-0.1%	(0.14)
Thermax Engineering Singapore Pte. Ltd.	0.3%	6.69	0.2%	0.35
Thermax Senegal S.A.R.L	0.1%	2.58	0.8%	1.65
Minority Interest in all subsidiaries	-3.6%	(78.01)	29.4%	61.64
Total Eliminations	-28.8%	(618.09)	-2.3%	(4.83)
Total	100.0%	2,146.41	100.0%	209.77

47. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

As per our report of even date
For B. K. Khare & Co.
Chartered Accountants
Firm Reg No.105102W

H. P. Mahajani
Partner
Membership No. 030168
Pune, May 26, 2015

For and on behalf of the Board
Meher Pudumjee
Chairperson

Amitabha Mukhopadhyay
Executive Vice President
& Chief Financial Officer

M. S. Unnikrishnan
Managing Director & CEO

G. P. Kulkarni
Vice President - Legal &
Company Secretary
Pune, May 26, 2015

FORM AOC - I

Statement containing salient features of the financial statement of Subsidiaries / associate companies / joint ventures Pursuant to first Provisio to Sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

Part "A" : Subsidiaries

(Rs. Crore)

Particulars	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision for tax	Profit After Tax	Proposed Dividend	% of Share Holding	Reporting Currency	Exchange Rate as on 31st March 2015
Thermax Sustainable Energy Solutions Ltd.	8.75	(8.69)	4.00	3.94	0.00	0.00	(0.92)	0.00	(0.92)	0.00	100.00	INR	-
Thermax Engineering Construction Co. Ltd.	4.50	33.41	147.17	109.26	0.00	205.92	7.85	(2.07)	5.78	0.00	100.00	INR	-
Thermax Instrumentation Ltd.	19.00	(15.35)	118.86	117.93	2.72	100.20	7.38	(3.69)	3.69	0.00	100.00	INR	-
Thermax Onsite Energy Solutions Ltd.	18.65	5.94	51.34	26.75	0.00	41.08	1.61	(0.52)	1.09	0.00	100.00	INR	-
Thermax SPX Energy® Technologies Ltd.	20.00	(10.37)	18.00	10.63	2.26	0.88	(2.12)	0.00	(2.12)	0.00	51.00	INR	-
Thermax Babcock & Wilcox® Energy Solutions Pvt. Ltd.	385.00	(230.26)	761.07	623.69	17.36	36.39	(123.69)	0.00	(123.69)	0.00	51.00	INR	-
Thermax International Ltd. (Mauritius)	21.51	(16.76)	0.43	0.02	4.34	0.00	0.18	0.00	0.18	0.00	100.00	USD	62.50
Thermax Europe Ltd. (U.K.)	1.85	33.35	60.82	25.62	0.00	87.32	6.34	(1.33)	5.01	0.00	100.00	GBP	92.59
Thermax Inc. (U.S.A.)	3.12	18.69	47.21	25.40	0.00	93.51	8.33	(3.05)	5.28	0.25	100.00	USD	62.50
Thermax do Brasil Energia e Equipamentos Ltda. (Brazil)	2.13	(1.64)	0.51	0.03	0.00	0.18	(0.10)	0.00	(0.10)	0.00	100.00	Brazilian Real	19.56
Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd. (China)	96.78	(64.07)	82.32	49.61	0.00	78.80	(0.99)	0.00	(0.99)	0.00	100.00	Yuan	10.18*
Thermax Denmark ApS.	67.33	25.26	8.10	47.02	131.50	0.00	(9.23)	0.73	(8.50)	0.00	100.00	DKK	8.98
Thermax Netherlands BV.	137.47	(1.15)	2.13	0.07	134.26	0.00	(0.19)	0.00	(0.19)	0.00	100.00	EUR	67.06
Danstoker A/S	8.98	13.65	77.71	57.16	2.07	167.81	(42.87)	0.58	(42.28)	0.00	100.00	DKK	8.98
Ejendomsanp-artselskabet Industrivej Nord 13 (EIN)	0.18	5.77	29.53	26.97	3.39	0.00	3.17	(0.45)	2.72	5.39	100.00	DKK	8.98
Omnicel Kessel & Apparatebau GmbH	0.00	0.00	0.00	0.00	0.00	46.11	(7.42)	0.21	(7.21)	0.00	100.00	EUR	67.06
Boilerworks A/S	0.45	1.63	20.90	18.82	0.00	65.23	(2.90)	0.77	(2.13)	0.00	100.00	DKK	8.98
Boilerworks Properties ApS	0.07	1.52	5.31	3.71	0.00	0.00	1.72	(0.42)	1.30	1.80	100.00	DKK	8.98
Rifox-Hans Richter GmbH Spezialarmaturen	4.80	(0.81)	11.85	7.86	0.00	24.01	0.40	0.00	0.40	0.00	100.00	EUR	67.06
Thermax SDN.BHD	0.84	0.10	0.98	0.03	0.00	1.62	0.08	(0.03)	0.05	0.00	100.00	Malaysian Ringet	16.88
Thermax Engineering Singapore Pte. Ltd	6.36	0.34	2.18	0.06	4.58	0.00	0.34	0.00	0.34	0.00	100.00	Singapore Dollar	45.56
PT Thermax International Indonesia	4.80	(0.13)	4.79	0.12	0.00	0.00	(0.13)	0.00	(0.13)	0.00	95.00	Indonesian Rupiah	0.005

Notes:

- For Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd. (China) the financial reporting period ends on 31st December 2014 whereas for all other subsidiaries it ends on 31st March 2015.
- The annual accounts of the above Subsidiary Companies are open for inspection by any investor at the Company's Corporate Office and the Registered Office of the respective subsidiary companies.
- Omnicel Kessel & Apparatebau GmbH, has been placed under administration since 9th September, 2014, revenue up to that date has been included in the above statement.
- Thermax Hong Kong Ltd. has been registered for dormancy as per laws of Hongkong hence not included in the above statement.
- Thermax Senegal S.A.R.L. was registered on 8th December 2014, however it's first financial year would end on 31st December 2015, as per the local law.
- Figures of foreign subsidiaries are converted at an exchange rate prevailing on closing day of the financial year of the Subsidiary for the purpose of this Statement.

* Exchange Rate as on December 31, 2014

@ These Companies are joint ventures with 51% share holding of Thermax Limited. Hence they have been treated as Subsidiaries for all financial reporting purpose.

Part "B" : Joint Venture

(Rs. Crore)

	Particulars	Name of the Associate / Joint Venture
1	Latest Audited Balance Sheet Date	Not Applicable
2	Shares of Joint Ventures held by the Company on the year end	
	i) Number	
	ii) Amount of Investment in Joint Venture	
	iii) Extent of Holding %	
3	Description of how there is significant influence	
4	Reason why the joint venture is not consolidated	
5	Net Worth attributable to shareholding as per latest Balance Sheet	
6	Loss for the year	
	i) Considered in Consolidation	
	ii) Not considered in Consolidation	

As per our report of even date
For B. K. Khare & Co.
Chartered Accountants
 Firm Reg No.105102W

For and on behalf of the Board
Meher Pudumjee
Chairperson

M. S. Unnikrishnan
Managing Director & CEO

H. P. Mahajani
Partner
 Membership No. 030168
 Pune, May 26, 2015

Amitabha Mukhopadhyay
*Executive Vice President
 & Chief Financial Officer*

G. P. Kulkarni
*Vice President - Legal &
 Company Secretary*
 Pune, May 26, 2015



THERMAX

**Sustainable Solutions
Energy & Environment**

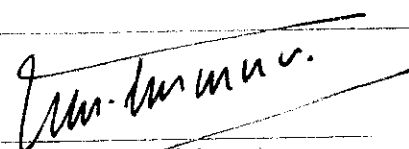
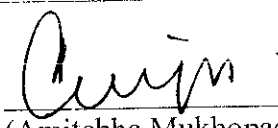
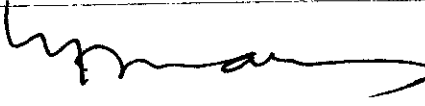
THERMAX LIMITED THERMAX HOUSE, 14 MUMBAI PUNE ROAD, WAKDEWADI,
PUNE 411 003, INDIA ☐ TEL.: (020) 25542122, 25542263 ☐ FAX : (020) 25541226
Website : www.thermaxindia.com ☐ IT PAN - AAAC 3910D

Corporate Finance Division

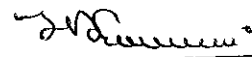


FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Thermax Limited
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period Not Applicable
5.	To be signed by	
	• CEO/Managing Director	 (M.S. Unnikrishnan) Managing Director & CEO
	• CFO	 (Amitabha Mukhopadhyay) Group CFO & Member-Executive Council
	• Auditor of the company	 (H.P. Mahajani) Partner - M/s. B.K. Khare & Co Statutory Auditors
	• Audit Committee Chairman	 (Nawshir Mirza) Chairman of the Audit Committee

CERTIFIED TRUE COPY
For THERMAX LIMITED



Gajanan P. Kulkarni