



UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016, PREPARED IN COMPLIANCE WITH THE INDIAN ACCOUNTING STANDARDS (IND-AS)

(Rupees in crores except per share data)

| Sr. No. | Particulars | Quarter ended | | | Year ended |
|-----------|---|---------------|---------------|---------------|---------------|
| | | 30 June 2016 | 31 March 2016 | 30 June 2015 | 31 March 2016 |
| | | (Unaudited) | Refer Note 2 | | |
| 1 | Income from Operations | | | | |
| | a) Revenue from operations | 172.82 | 300.00 | 151.99 | 856.31 |
| | b) Other operating income | - | - | - | 1.67 |
| | Total income from operations | 172.82 | 300.00 | 151.99 | 857.98 |
| 2 | Expenses | | | | |
| | a) Cost of materials consumed | 83.79 | 135.57 | 70.39 | 392.32 |
| | b) Purchase of stock-in-trade | - | - | - | - |
| | c) Changes in inventories of finished goods, work-in-progress & stock-in-trade | 0.64 | 2.56 | (2.68) | (0.51) |
| | d) Employee benefits expense | 32.60 | 31.02 | 34.42 | 130.34 |
| | e) Depreciation and amortisation expense | 5.07 | 5.18 | 5.56 | 21.50 |
| | f) Exchange (gain) / loss | (2.45) | 1.03 | (2.12) | (1.98) |
| | g) Excise duty on sales | 7.37 | 12.02 | 6.66 | 34.00 |
| | h) Other expenditure | 38.71 | 71.73 | 43.08 | 219.16 |
| | Total expenses | 165.73 | 259.11 | 155.31 | 794.83 |
| 3 | Profit / (loss) from operations before other income, finance costs & exceptional items (1-2) | 7.09 | 40.89 | (3.32) | 63.15 |
| 4 | Other income | 3.69 | 5.80 | 2.74 | 15.01 |
| 5 | Profit / (loss) from ordinary activities before finance costs & exceptional items (3+4) | 10.78 | 46.69 | (0.58) | 78.16 |
| 6 | Finance costs | 0.19 | 0.17 | 0.18 | 0.70 |
| 7 | Profit / (loss) from ordinary activities after finance costs but before exceptional items (5-6) | 10.59 | 46.52 | (0.76) | 77.46 |
| 8 | Exceptional items | - | - | - | - |
| 9 | Profit / (loss) from ordinary activities before tax (7-8) | 10.59 | 46.52 | (0.76) | 77.46 |
| 10 | Less : Tax expense | | | | |
| | - Current year | 2.31 | 7.92 | (0.66) | 12.43 |
| | - Prior years | - | - | - | (0.38) |
| 11 | Net profit / (loss) from ordinary activities after tax (9-10) | 8.28 | 38.60 | (0.10) | 65.41 |
| 12 | Extraordinary items (net of tax expense) | - | - | - | - |
| 13 | Net profit / (loss) for the period | 8.28 | 38.60 | (0.10) | 65.41 |
| 14 | Other comprehensive income | | | | |
| | i. Items that will not be reclassified to profit or loss (net of tax) | 0.24 | (0.04) | 0.44 | 0.04 |
| | ii. Items that will be reclassified to profit or loss (net of tax) | - | - | - | - |
| | Total other comprehensive income (net of tax) | 0.24 | (0.04) | 0.44 | 0.04 |
| 15 | Total comprehensive income for the period (13+14) (Comprising profit (loss) and other comprehensive income for the period) | 8.52 | 38.56 | 0.34 | 65.45 |
| 16 | Paid-up equity share capital (Face value Rs.2 per share) | 35.61 | 35.59 | 35.49 | 35.59 |
| 17 | Reserve excluding revaluation reserves as per audited balance sheet of previous accounting year (Refer Note 4 below) | | | | 615.41 |
| 18 | i. Basic EPS (Face value Rs. 2/- per share) (Before extra ordinary items) | 0.47 | 2.17 | (0.006) | 3.68 |
| | Diluted EPS (Face value Rs. 2/- per share) (Before extra ordinary items) | 0.46 | 2.16 | (0.006) | 3.66 |
| | ii. Basic EPS (Face value Rs. 2/- per share) (After extra ordinary items) | 0.47 | 2.17 | (0.006) | 3.68 |
| | Diluted EPS (Face value Rs. 2/- per share) (After extra ordinary items) | 0.46 | 2.16 | (0.006) | 3.66 |

Notes:

- These are company's first interim financial results prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Companies' (Indian Accounting Standards) Rules, 2015. In preparing its corresponding quarter ended 30 June 2015, previous quarter ended 31 March 2016 and year ended 31 March 2016, the company has adjusted amounts reported previously in results prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). An explanation of how the transition from Indian GAAP to Ind AS has impacted the company's financial performance is set out in Annexure A.
- The quarter ended 30 June 2015, 31 March 2016 and the year ended 31 March 2016 have not been subjected to limited review/ audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 22 July 2016.
- The reserves (excluding revaluation reserve) as per audited balance sheet as on 31 March 2016 are reported under Indian GAAP.
- The company operates only in one segment, i.e. "Process and Project Engineering".
- During the quarter ended 30 June 2016, Company allotted 75,430 equity shares to its employees under ESOP at an exercise price of Rs 55.75 per equity share.

ANNEXURE A
EXPLANATION (RECONCILIATION) OF TRANSITION TO INDIAN ACCOUNTING STANDARDS (IND AS)

(Rupees in crores)

| Sr. No. | Particulars | Standalone | | |
|---------|--|--------------------------------|-------------------------------|-----------------------------|
| | | Quarter ended 31 March 2016 | Quarter ended 30 June 2015 | Year ended 31 March 2016 |
| (A) | Net profit as per Indian GAAP | 37.43 | 2.17 | 66.73 |
| (B) | Ind AS adjustments: | | | |
| i. | Share based payment transactions - Employee Stock Option Plan (ESOP) | (0.71) | (0.91) | (3.62) |
| ii. | Fair valuation of investment in mutual funds | 1.01 | 0.76 | 2.05 |
| iii. | Actuarial gains/ loss on post-employment defined benefit plans | 0.06 | (0.68) | (0.06) |
| iv. | Others | 1.28 | (2.57) | 0.41 |
| v. | Deferred tax impact on above Ind AS adjustments | (0.47) | 1.14 | (0.10) |
| | Total Ind AS adjustments | 1.17 | (2.26) | (1.32) |
| (C) | Net profit for the period as per Ind AS (A+ B) | 38.60 | (0.10) | 65.41 |
| (D) | Other comprehensive income (net of deferred tax) | (0.04) | 0.44 | 0.04 |
| (E) | Total comprehensive income as per Ind AS | 38.56 | 0.34 | 65.45 |

Notes:

- i. Under Indian GAAP, a company uses intrinsic value approach to measure the cost of share based payments. Under this approach, if the exercise price for employee stock option is not less than the market price of the underlying shares on the date of the grant, no compensation cost is recorded. Under Ind AS, costs of share based payments are recorded based on the fair value of employee stock option. Under this approach, the instrument would have a value even if the exercise price is equal to the market price of the underlying shares on the date of grant.
- ii. Under Indian GAAP, current investments in mutual funds are measured at cost or net realisable value, whichever is lower. Under Ind AS, investments in mutual funds are classified as 'Fair value through profit or loss' and are measured at fair value at each reporting date. The subsequent changes in the fair value of such investments are recognised in statement of profit and loss.
- iii. Under Indian GAAP, actuarial gains and losses and return on plan assets on post-employment defined benefit plans are recognised immediately in statement of profit and loss. Under Ind AS, remeasurements which comprise of actuarial gains and losses, return on plan assets and changes in the effect of asset ceiling, if any, with respect to post-employment defined benefit plans are recognised immediately in other comprehensive income (OCI). Further, remeasurements recognised in OCI are never reclassified to statement of profit and loss.
- iv.
 - (a) Under Indian GAAP, the premium or the discount on foreign exchange forward derivative contracts related to underlying receivables and payables are amortised over the period of the contracts. In case of foreign exchange forward derivative contracts entered into at highly probable future transactions or firm commitments, mark to market losses (gains are ignored), if any, are recognised in the statement of profit and loss at the reporting date. Under Ind AS, all the foreign exchange forward derivative contracts are recorded at fair value with the subsequent changes in fair value recognised in the statement of profit and loss.
 - (b) Under Indian GAAP, interest-free lease security deposits paid are reported at their transaction values. Under Ind AS, interest-free security deposits are measured at fair value on initial recognition and at amortised cost on subsequent recognition. The difference between the transaction value and fair value of the lease deposit at initial recognition is treated as prepaid rentals. This amount is recognised in statement of profit and loss on a straight line basis over the lease term.
 - (c) Under Indian GAAP, there is no specific guidance for contracts that involve leases of land. Under Ind AS, lease of land is recognised as operating or finance lease as per definition and classification criteria stated in standard on leases. Accordingly, as on the date of transition the leases of land have been classified as operating / finance lease as the case may be.
 - (d) Under Indian GAAP, financial guarantee given by the parent on behalf of its subsidiaries is recognised as 'Contingent liability'. Under Ind AS, corporate / financial guarantee is treated as financial liability and recognised at fair value on initial and subsequent recognition. The fair value of the guarantee recoverable from the subsidiary is treated as receivable from subsidiary. The fair value of the guarantee not recoverable from the subsidiary is written off as expenditure. Finance income is recognised over the term of the guarantee using effective interest method.
 - v. Under Indian GAAP, deferred taxes are recognised using income statement approach i.e. reflecting the tax effects of timing differences between accounting income and taxable income for the period. Under Ind AS, deferred taxes are recognised using balance sheet approach i.e. reflecting the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the income tax rates enacted or substantively enacted at reporting date. Also, deferred taxes are recognised on account of the above mentioned changes under para (i) to (iv).