

A large, abstract graphic on the left side of the page, composed of several overlapping, curved shapes in shades of orange, green, and beige. The shapes are arranged in a way that they appear to be part of a larger, circular or semi-circular composition. The colors transition from light to dark, creating a sense of depth and movement.

Management Discussion and Analysis

1. Economic Overview



1.1 Global Economy

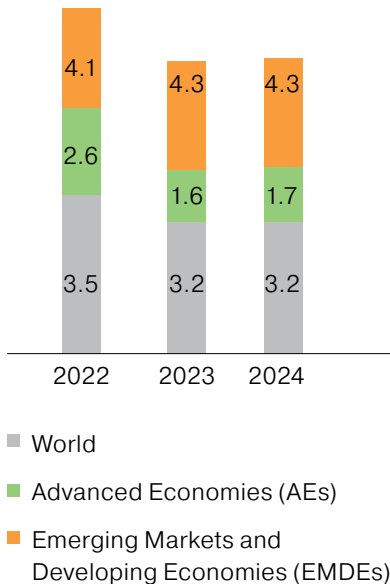
The year 2023 turned out to be better than anticipated. Real global gross domestic product (GDP) grew by 3.2% in 2023, as against the earlier estimation by the International Monetary Fund (IMF). The year started with the expectation of a slowdown in the western world following high inflation and subsequent tightening by all major central banks worldwide. However US economy

remained buoyant registering 2.5% GDP growth following strong growth in jobs and consumer spending. The geopolitical crisis in Europe continued while tensions in the Middle East hit the world towards the end of the year, turning the Red Sea into a conflict zone. Despite these challenges, the global economy remained on a solid footing, with the US economy expected to have a soft landing.

The International Monetary Fund (IMF) projects the global economy to grow by 3.2% in 2024 as well as in 2025. It expects global inflation to ease from 5.8% in 2024. Potential challenges to global growth include inflation and geopolitical uncertainties, such as the Red Sea crisis, which has led to higher freight and insurance costs and reduced shipment volumes, potentially hindering recovery.



Global GDP Forecast (in %)



Source: World Economic Outlook, April 2024

The COP28 summit in Dubai concluded with the first-ever pledge to cut down fossil fuels and an agreement signalling the 'beginning of the end' of fossil fuels to keep the global temperature limit at 1.5 degrees Celsius. However, the world is lagging on sustainability targets, with only 15% of the United Nations Sustainable Development Goals achieved. Climate action is a matter of concern with every year becoming the hottest ever and extreme climate events becoming regular all over the world. In fact, at the current pace, the world temperatures could rise by 2 – 2.4 degrees Celsius over the next 100 years.

Over 100 countries pledged to triple renewable energy capacity by 2030. Renewable energy deployment, mainly solar and wind, has increased globally over the past several years. The amount of renewable energy capacity added to energy systems around the world grew by 50% in 2023, reaching almost 510 gigawatts (GW), led by China and India according to the latest edition of the IEA's (International Energy Association) annual market report on the sector Renewables 2023.



2024^P

Wind and solar PV jointly generate more electricity than hydropower

2025^P

Renewables surpass coal as the largest source of electricity generation

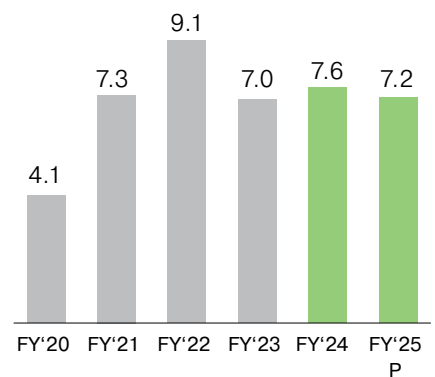
1.2 Indian Economy

India continues to be the fastest growing large economy. Its GDP in the financial year (FY) 2024 grew by 7.6% (according to the second advance estimate by National Statistical Organisation), compared to 7.2% in FY 2023. Continued government capital expenditures and robust domestic consumption were the key factors in driving the growth.

1.3 Outlook

The IMF expects the Indian economy to grow by 7.2% in FY 2025, following resilience in domestic demand. S&P Global Ratings anticipates India to maintain its position as the fastest-growing major economy for the next three years.

India's GDP Trend (%)



P – projections

Source: NSO (National Statistical Organisation), RBI

MANAGEMENT DISCUSSION AND ANALYSIS

Sectors such as steel, cement and distilleries are set to witness good growth due to a significant increase in government capital expenditures on infrastructure and a focus on ethanol blending. Government policies and capex outlays to support green technologies such as biofuels will strengthen Thermax's clean energy portfolio.

1.4 India's Climate Commitments

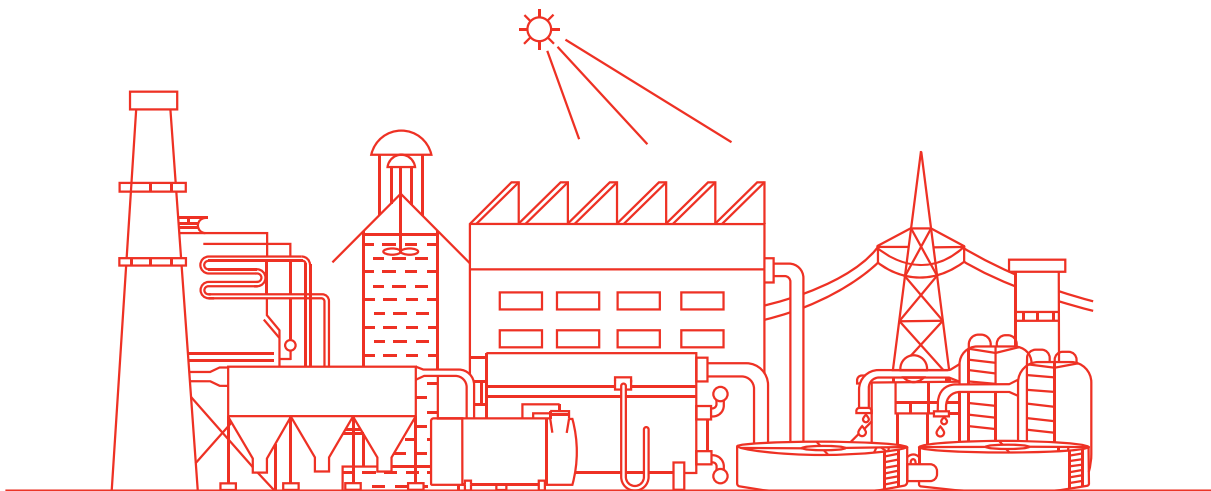
India has successfully managed economic growth while meeting the greenhouse gas emission targets

ahead of time. Between 2005 and 2019, India reduced the emission intensity vis-à-vis its GDP by 33%, achieving the initial nationally determined contributions (NDC) target for 2030. India now derives 40% of its electric installed capacity through non-fossil fuel sources, nine years ahead of the target for 2030. Between 2017 and 2023, India has added around 100 GW of installed electric capacity, of which around 80% is attributable to non-fossil fuel-based resources. In spite of these advances, India is the world's third-highest carbon emitter, indicating a significant scope for further emission

reductions. Thermax's strategic focus on clean and renewable energy areas aligns with government objectives.

Thermax's hydrocarbon fuel-based businesses also have good prospects. The all-India production for coal was 997.25 million tonnes in FY 2024 and the government is looking to substantially increase annual coal production to 1 billion tonnes by 2030. The government also plans to increase refining capacity from the existing 254 million tonnes annually to ~ 311 million tonnes by 2028.

2. Industry Overview



2.1 Clean Energy and Environment Sectoral Review

As climate awareness rises, investment in clean energy technologies is significantly outpacing spending on fossil fuels, with more than \$ 1.7 trillion expected to go into clean technologies, including renewables, low-emission fuels, grids, and storage. Global heat

pump sales have seen double-digit annual growth since 2021.

According to ITA (International Trade Administration) reports, the Indian environmental technologies market is valued at approximately \$23 billion, including goods and services, and is likely to grow at a CAGR of 7.5%

from 2023 to 2028. India ranks as the sixth largest world market overall for environmental technology exports, second globally in the subsectors of air pollution control and solid waste recycling, and fifth for water/wastewater management.



3. Company Overview

Thermax Group is a Rs. 9,323 crore company, standing as a trusted partner in energy transition and environmental sustainability. Thermax, with its long-standing expertise in offering clear air, clean energy, clean water, and chemical solutions, has strategically expanded its footprint across global markets and across a diverse range of industries. With the world moving towards decarbonisation, and resource conservation, Thermax has intensified its focus towards green and

clean solutions, reaffirming its commitment towards conserving resources, and preserving the future.

A one-stop utility solutions provider, Thermax offers comprehensive operations and maintenance support across all its business verticals. It also provides several specialised services, including retrofitting, revamping, upgrading, and auditing. Additionally, the Company has expanded its portfolio by introducing digital solutions that address all asset lifecycle requirements in real-time.

3.1 Thermax Order Booking by Industry

Amongst the many sectors that utilise energy and environment solutions, Thermax saw major business coming from metal, steel, food & beverages, refinery & petrochemicals, bio-CNG, and sugar & distillery industries, contributing substantially to the order book during the year.

| Industries | FY 2023-24 | FY 2022-23 |
|-----------------------------|------------|------------|
| Metals/Steel | 18% | 13% |
| Food and Beverages | 11% | 15% |
| Bio-CNG | 8% | 6% |
| Refinery and Petrochemicals | 8% | 15% |
| Sugar/Distillery | 8% | 9% |
| Engineering | 7% | 2% |
| Cement | 7% | 6% |
| Power | 6% | 8% |
| Chemical | 6% | 8% |
| Fertiliser and Agro | 5% | 0% |
| Pharma | 3% | 3% |
| Paper and Pulp | 1% | 3% |
| Others | 13% | 12% |

4. Business Segments



Industrial Products



Industrial Infra



Green Solutions



Chemical

MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Industrial Products

Industries today face three prominent challenges: combatting climate change, securing clean energy, and managing water scarcity. Our products, engineered to provide solutions for clean air, clean energy, and clean water, along with our digital service EDGE Live empower industries to adopt environmentally sustainable practices, guiding them towards a cleaner tomorrow.



Clean Air Solutions

Thermax provides air pollution control (APC) systems for both particulate and gaseous exhaust.

We offer broad-based, single-source expertise and flange-to-flange solutions in all areas of environmental protection – from products and systems for air pollution control to retrofit and rebuild services.

We undertake turnkey environmental projects from concept to commissioning through tie-ups with technology majors and diverse industry sectors.



Clean Energy Solutions

This segment delivers a comprehensive range of heating solutions, including packaged boilers, fired heaters, and turnkey process heating solutions using steam, thermic fluid, hot water, and hot air.

Our solutions extend to biomass-fired equipment and heat recovery solutions for clean energy production.

We also offer energy-efficient vapour absorption machines and process cooling equipment for environment-friendly cooling and heating solutions in industrial and commercial settings.

Furthermore, we offer comprehensive operation and maintenance services to ensure the continued optimal performance of our solutions.



Clean Water Solutions

Our Company's Water and Waste Solutions (WWS) business assists industrial, commercial and residential establishments with products and services to purify, reuse and recycle water and treat sewage and effluents.

We also provide seawater desalination solutions, that reduce freshwater consumption and play a significant role in water conservation efforts.

Additionally, we provide operation and maintenance services, ensuring the sustained efficiency of our solutions throughout their lifecycle.



Business Highlights



Clean Air

Our Air Pollution Control business ventured into biogas purification and upgraded technology solutions to enhance gas processing quality and efficiency.

- » Thermax introduced hybrid heat pumps that combine the benefits of both electrical and absorption technologies in one product.

the globe, including manufacturing facilities in western India that cater to major companies in pharma and personal care.

Clean Energy

Heating

- » We introduced a range of new and upgraded products to cater to the market's changing requirements and offer strong value propositions to industrial customers. Some of these included Dynatherm – a multi-combustor, compatible, solid fuel-fired thermic fluid heater; Shellmax Global Ultra – an upgraded version of a packaged oil and gas-fired steam boiler; the advanced Thermopac Global and UPRG (Ultrapac) – a compact and reliable biomass boiler for extremely fouling fuel.

Cooling

- » We launched a dedicated growth unit under our Cooling business to offer products that enhance energy efficiency and water savings, reduce fossil fuel dependency, and support industrial process improvements.

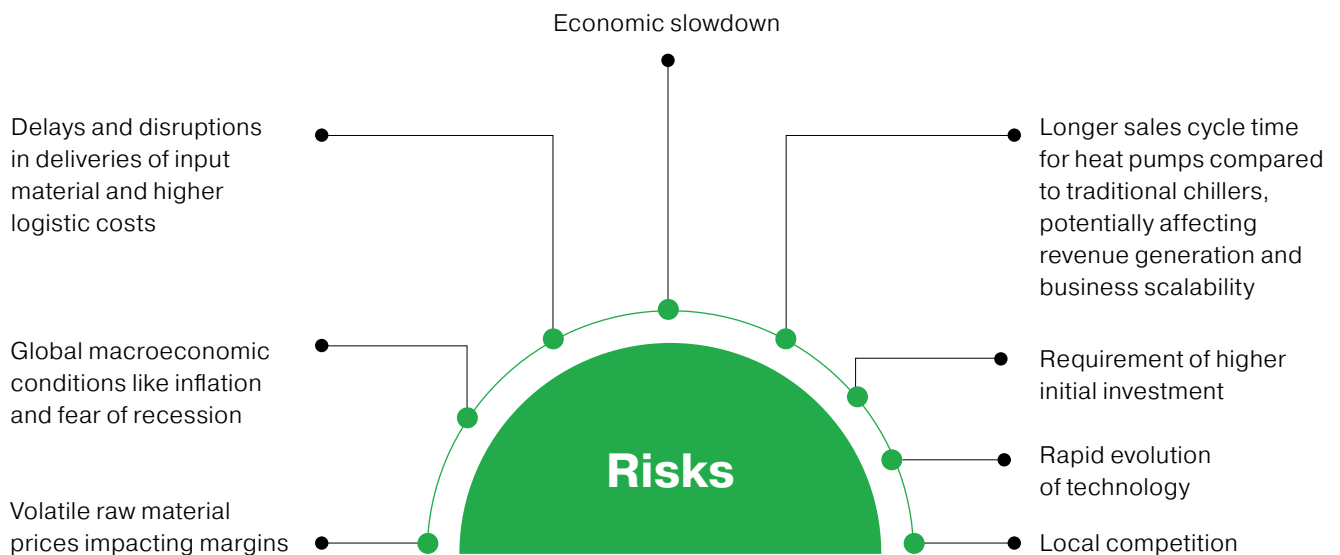
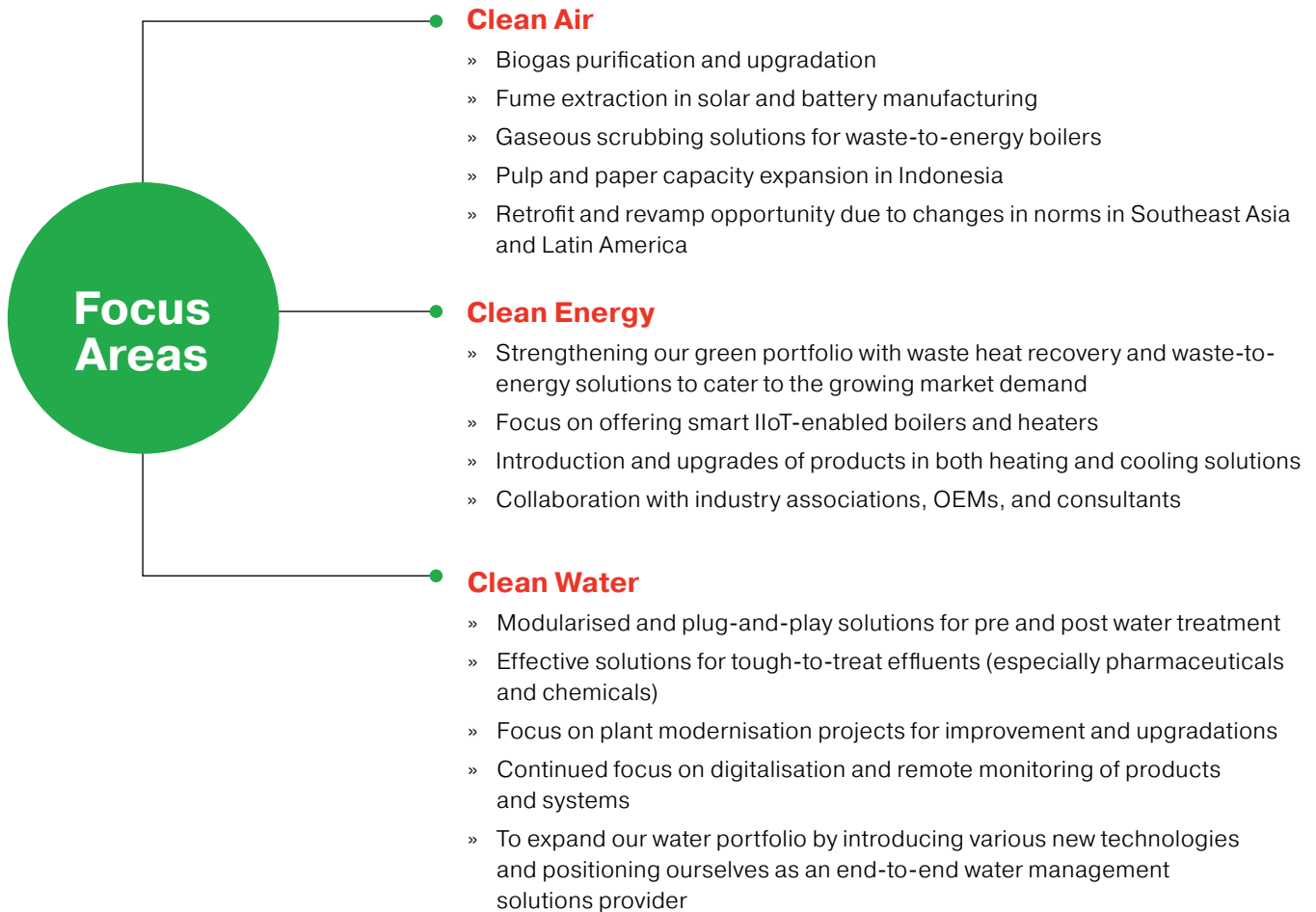
Clean Water

- » Thermax's Water and Waste Solutions business inaugurated a new high-tech facility in Pune, Maharashtra, equipped with advanced machinery such as plasma plate cutting and robotic welding systems. The plant prioritises environmental sustainability by utilising solar power and rainwater harvesting, while its scalable design allows for future expansion. It incorporates efficient and eco-friendly practices, such as nanotechnology-based painting, to ensure swift delivery and top-notch quality.
- » With Thermax's acquisition of TSA Process Equipments on April 19, 2024, WWS now offers complete solutions to meet pure water requirements across industries including pharmaceuticals, biopharma, personal care, and food and beverages. Founded in 2004, TSA Process Equipments Pvt. Ltd. is headquartered in Mumbai, Maharashtra. It has over 500 installations across

Growth Drivers

- » Enforcement of emission norms globally
- » Fuel shift from coal to biomass or agro-based fuels
- » Energy security concerns and global policies supporting energy transition
- » Market demand for pre-fabricated/plug-and-play water and waste treatment products
- » Increased government push for water recycling and reuse for industries
- » Stringent regulatory discharge norms for wastewater to prevent the pollution of water bodies
- » Traction in ethanol and high-purity water segments
- » Traction in predictive analytics and energy utility optimisation
- » Customers seeking organised single-point service providers for products, projects, and services for better reliability and uptime
- » Adoption of AI across the industry
- » Manufacturing growth in India

MANAGEMENT DISCUSSION AND ANALYSIS



**New Product****Hybrid Heat Pump: A Sustainable Green Solution**

Heating and cooling are essential operational needs for any industry. To optimise energy usage and reduce carbon emissions, Thermax has introduced an innovative hybrid heat pump that combines electrical and absorption technologies to meet both cooling and heating demands singlehandedly. This dual-capacity solution is capable of generating high-temperature water at 120°C and providing a cooling capacity of up to 30%.

Benefits of the Heat Pump**120°C**

High Temperature Efficiency

Up to 30%Simultaneous Cooling
Generation Capacity**40%**

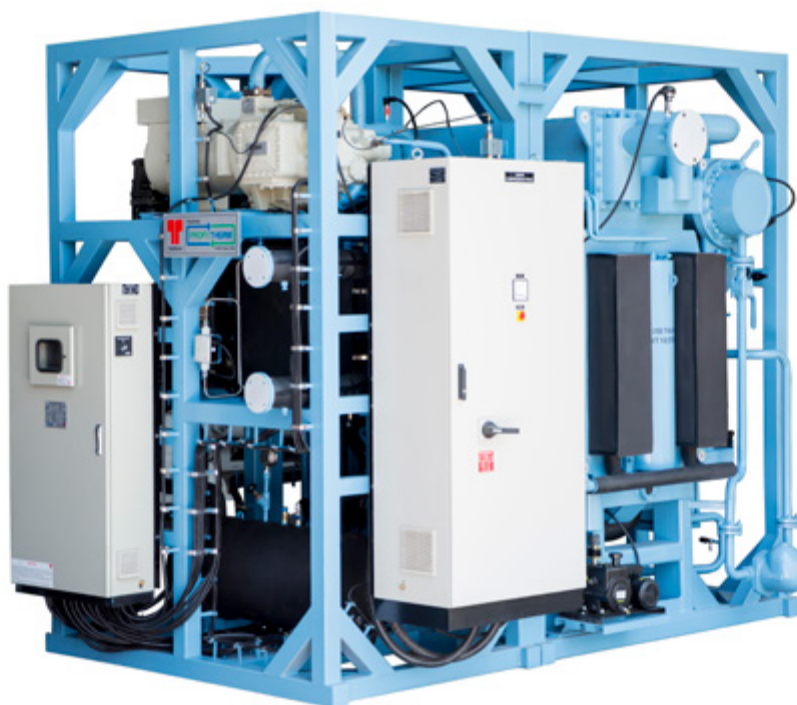
Fuel Consumption Savings

30%

Water Savings

400 kw

Capacity (Heating) Onwards



MANAGEMENT DISCUSSION AND ANALYSIS

The MDA covers significant subsidiaries impacting segmental performance. Please refer to AOC-1 on page 298 for detailed information on each subsidiary.

Industrial Products Overseas Subsidiaries

Danstoker Group, Herning, Denmark

Business Performance

The subsidiary's revenue grew by 38.9% in FY 2023-24 (FY 2022-23 saw a growth of 25.1%) while the order booking increased by 2.1% (in FY 2022-23 the order booking grew by 52.7%). This subsidiary has turned around in the last two years after registering negative growth for a prolonged period. This improvement is primarily driven by positive developments in the biomass segment, spurred by the non-availability of fossil fuels due to geopolitical circumstances, resulting in an increased demand for biomass-fired boilers.



The 26 TPH boiler supplied and installed by Danstoker for a dairy company in France

Key Solutions Provided

- » Solid fuel-fired (biofuel) boilers
- » Electric boilers
- » Waste heat recovery boilers
- » Oil/gas-fired boilers

Sustainable Growth Plan

- » To expand the business with waste biomass as a fuel that is likely to experience massive demand in Europe in the years ahead. The growing market is a consequence of Europe's plan to be independent of Russian gas supply
- » To leverage Europe's growing demand for biomass and electric boilers

Geographical Footprint

- » Denmark
- » Poland
- » Nordic countries (Norway, Sweden and Finland)
- » Baltic countries
- » Western Europe (France, Germany, the Netherlands, and Belgium)

Key Industries

- » Automotive
- » Breweries
- » Crematoriums
- » Dairies
- » District Heating
- » Food and Beverages
- » Pharmaceuticals
- » Wood

Highlights

- » Received its biggest-ever order from a packager in France for a biomass-fired boiler with a capacity of 25 tonnes per hour, operating at 45 bar pressure and 450 degrees Celsius temperature
- » Supplied the first-ever RDF (refuse derived fuel) fired hot water boiler with a capacity of 9.6 MW, operating at 16 bar pressure, for a project in Senja, Norway
- » Delivered another RDF fired hot water boiler of 17.5 MW capacity, operating at 10 bar pressure for a project in Kvitebjorn, Norway



PT Thermax International, Indonesia (PT TII), Jakarta, Indonesia

Business Performance

The subsidiary registered a 29.3% decline in revenue in FY 2023-24 (a growth of 83.3% in FY 2022-23). Order bookings decreased by 41.7% this year (61.7% increase in FY 2022-23). PTTI has been incurring losses since its inception. This year, we are bringing in management as well as operational changes, which will help to gradually turnaround its performance going ahead.

Key Solutions Provided

- » Process heating equipment such as steam boilers, hot water and hot air generators, thermic fluid heaters and steam accessories
- » Services such as steam audits, along with value-added services like retrofitting and revamping existing assets within customer premises are also offered, complementing the product portfolio

Key Industries

- » Agriculture and Allied
- » Chemicals
- » Food and Beverages
- » Palm Oil
- » Paper and Packaging
- » Petrochemicals
- » Pharmaceuticals
- » Rubber
- » Textiles
- » Tobacco



Sustainable Growth Plan

- » To streamline local manufacturing facilities and increase the capacity utilisation
- » To penetrate the market with competitive products and pricing along with aggressive sales and marketing activities
- » To strengthen the services business by providing services such as revamping and retrofitting for boilers, heaters, and air pollution control equipment
- » To remain focussed on customer service and retention
- » To develop a network of channel partners and dealers and increase customer reach and visibility
- » As part of the expansion, the subsidiary is in the process of setting up a chemical blending unit
- » To reduce the overall cost
- » Closer coordination with India

Geographical Footprint

- » Indonesia
- » Southeast Asia

Highlights

- » Secured an order from one of the largest multinational corporations in the food and beverages sector for three boilers equipped with a reciprocating grate combustor. These boilers feature multi-fuel capability, including the ability to incinerate in-house process waste. This project represents a noteworthy fuel shift in the process industry and will serve as a flagship project for PT Thermax International Indonesia.
- » Secured a first-of-its-kind order for the supply of bag filters from an EPC partner for a government power plant project

MANAGEMENT DISCUSSION AND ANALYSIS

Thermax Europe, Bletchley, United Kingdom

Business Performance

During FY 2023-24, the order booking was down by 9% (23.8% down in FY 2022-23). However, the revenue increased by 1% (9.4% up in FY 2022-23). The business did not perform due to the destabilisation caused by the Russia-Ukraine war, resulting in the project uncertainties and diminished orders. Also, with electrification getting cheaper, the demand for both steam and gas fired chillers has reduced considerably.

| | | |
|---|---|---|
| <p>Key Solutions Provided</p> <ul style="list-style-type: none"> » Absorption chillers and heat pumps with a capacity of 35 kW to 12,000 kW, driven by hot water, steam, oil & gas and waste heat | <p>Sustainable Growth Plan</p> <ul style="list-style-type: none"> » With the change in the market and high energy costs in Europe, our focus is on heat pumps and absorption refrigeration applications of waste heat recovery through hot water chillers | <ul style="list-style-type: none"> » 2 MW hot water-driven chiller delivering chilled water at 2 degrees Celsius supplied to a lettuce grower in the UK » Supplied a 1 MW chiller with a special design for hazardous areas for one of the world's leading suppliers of chemicals, plastics, synthetic fibres, and agricultural products in the Netherlands » Delivered a 3.6 MW steam-driven chiller custom-made for a large refinery in Saudi Arabia |
| <p>Key Industries</p> <ul style="list-style-type: none"> » District Heating » Commercial Establishments | <p>Highlights</p> <ul style="list-style-type: none"> » Supplied a 6 MW steam-driven heat pump to Fyn district heating plant in Denmark | |
| <p>Geographical Footprint</p> <p>Eastern and Western Europe</p> | | |

Thermax Inc., Houston, Texas, USA

Business Performance

In FY 2023-24, order booking related to absorption cooling and heating products by the subsidiary was 14% lower (6% higher in FY 2022-23) owing to challenges emanating from fiscal policies and ongoing geopolitical turmoil. The revenue also decreased by 31.6 % (144% higher in FY 2022-23).

| | | |
|---|---|--|
| <p>Key Solutions Provided</p> <ul style="list-style-type: none"> » Sale and service of cooling and heating equipment based on absorption technology | <p>Geographical Footprint</p> <ul style="list-style-type: none"> » Americas (North, South, Central and the Caribbeans) | <p>Highlights</p> <ul style="list-style-type: none"> » A leading university opted for a multi-energy absorption chiller to ensure comfort cooling through recovery of waste heat from exhaust gases » A major Latin American beverage manufacturer chose Thermax's multi-energy absorption chiller. This chiller recovers waste heat from its processes and utilises it for process cooling. » A renowned chemical manufacturer opted for a Thermax steam fired chiller for its critical processes utilising waste heat recovery across different operations |
| <p>Key Industries</p> <ul style="list-style-type: none"> » Chemicals » Commercial Establishments » Data Centres and Information Technology » Food and Beverages » Hotels, Resorts and Hospitals » Oil and Gas » Pharmaceuticals » Universities, Schools and Colleges | <p>Sustainable Growth Plan</p> <ul style="list-style-type: none"> » To focus on promoting decarbonisation efforts all over the Americas (namely North, South Central and the Caribbeans) with cutting-edge absorption technology that can be deployed together with on-site power generation, solar energy technologies, district heating and cooling segment, and above all, for process integrated and discrete industrial heating and cooling applications | |

**Case Study****Air Pollution Control Secures a Rs. 100 Crore Order from Solar Industry**

In a first-of-its-kind order in India, the Air Pollution Control (APC) business secured a Rs. 100 crore order for a process exhaust system for solar PV cell and modules production lines of 4 GW capacity on a turnkey basis for a leading power company in Tamil Nadu, India.

Traditionally, solar panel manufacturers turn to international markets for gaseous abatement

scrubbers. However, our team successfully leveraged our division's expertise in addressing similar challenges and tailored solutions to meet the unique requirements of solar cell and module manufacturing. By optimising layouts and providing plug-and-play solutions, they met stringent deadlines, ensuring seamless execution of the project.

The team successfully concluded the initial phase of the project, delivering 2 GW of the process exhaust system.

**Case Study****Water and Waste Solutions Pioneers Indigenous Mechanical Vapour Recompression (MVR) Technology**

A leading pump manufacturer, renowned for its expertise in micro-precision parts with chrome/nickel plating sought an effluent treatment plant (ETP) based zero liquid discharge (ZLD) system to reduce freshwater usage and adhere to government discharge standards. However, the project faced challenges concerning limited space and steam availability.

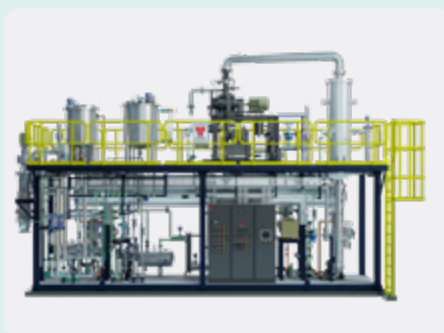
Thermax introduced an innovative solution – a 10 KLD mechanical vapour recompression (MVR) unit, incorporating a plug-and-play modular skid design that required no steam for start-up and included an agitated thin film dryer (ATFD). This approach also integrated an advanced two-phase closed-loop system to boost efficiency.

Advantages

45 Days to 7 Days
Man-Days at Site Reduced as Most of the Assembly Work Was Done in the Factory

45%
Space Savings Due to Skid-Mounted Design Versus Conventional Systems

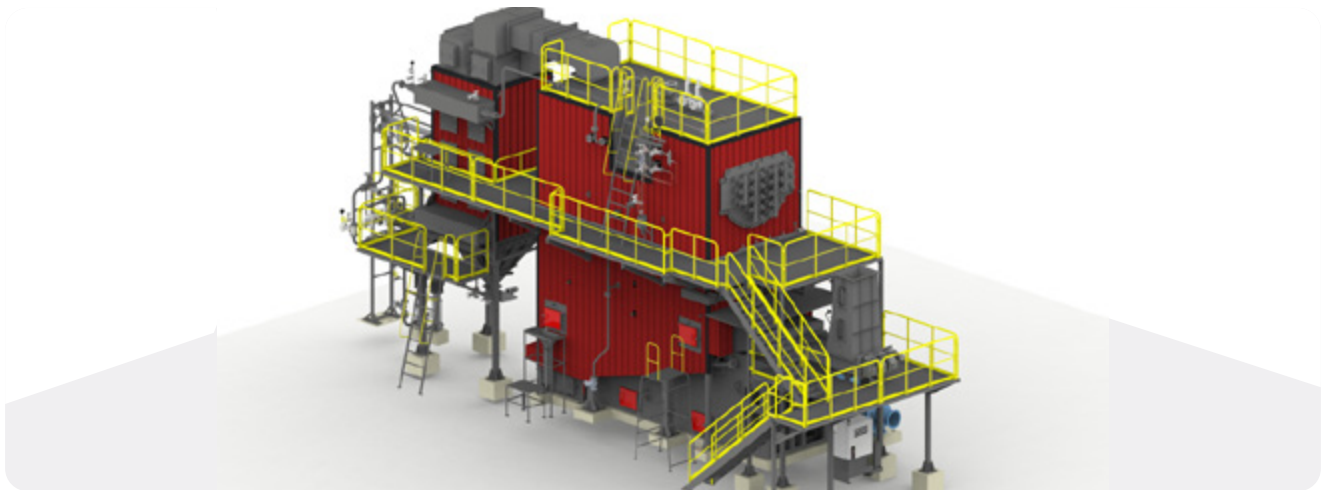
95%
Water Recycled for Reuse



MANAGEMENT DISCUSSION AND ANALYSIS

Performance of Industrial Products Segment in FY 2023-24

In FY 2023-24, the Industrial Products segment accounted for 41.9% (40.2% in FY 2023) of the Group's gross operating revenue. The operating revenue (net) stood at Rs. 4,055 crore (Rs. 3,338 crore), while segment profit* was Rs. 397 crore (Rs. 274 crore) for the same period. In FY 2023-24, the order booking was Rs. 4,329 crore, up from Rs. 4,172 crore in the previous year. The higher revenue can be attributed to strong growth in the metal, cement and food & beverage sectors.

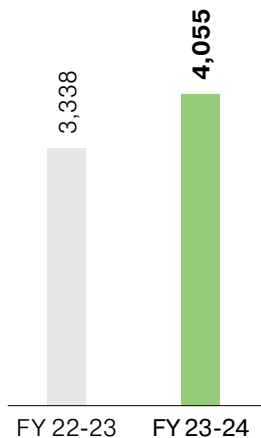


Ultrapac is a compact and packaged biomass boiler designed for low-grade biomasses with extremely fouling characteristics. It offers fuel flexibility and requires minimal cleaning frequency, addressing the demand for CO₂-reducing solutions in the smaller boiler market.

Industrial Products

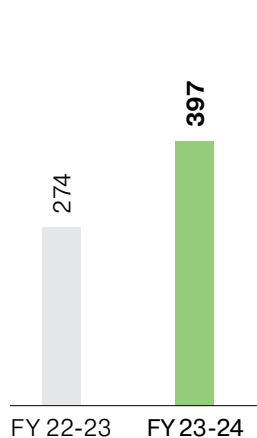
Revenue

(Rs. in crore)



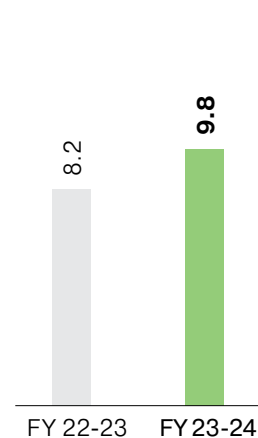
Profit*

(Rs. in crore)



Profit Margin*

(%)



Profit* and Profit Margin* – Segment PBIT before exceptional and unallocated overheads



4.2 Industrial Infra

Our Industrial Infra business supports industries in their energy transition process and encompasses our Projects and Energy Solutions (P&ES), Thermax Bioenergy Solutions Private Limited (TBSPL), and Thermax Babcock & Wilcox Energy Solutions (TBWES) businesses.

Clean Energy



Projects and Energy Solutions (P&ES)

P&ES includes captive power plants, cogeneration systems, waste heat recovery plants, and independent power plants under an engineering, procurement, and construction (EPC) model. The business provides captive and independent power plants that rely on a variety of renewable fuels and energy sources.

P&ES' offerings also include sulphur recovery block installation and flue gas desulphurisation systems to capture SO_x emissions from fossil fuel-based power plants. Additionally, it provides solutions based on conventional fuels to cater to diverse energy needs and preferences.



Thermax Babcock & Wilcox Energy Solutions Limited (TBWES)

TBWES supplies steam generation solutions for both process and power requirements, along with waste heat recovery. Additionally, it specialises in retrofitting boilers and process furnaces. The service arm of TBWES offers diagnostic services, spare parts, plant optimisation services, performance enhancement solutions, and digital services like Thermax EDGE Live[®] for boilers and heaters.



Thermax Bioenergy Solutions Private Limited (TBSPL)

TBSPL manages the setting up and operation of bio-CNG plants on an EPC basis collaborating with international technology partners. It offers comprehensive solutions for producing bio-CNG from various waste sources, including biomass, agricultural waste, municipal solid waste, and food processing waste. With a vision to become a preferred partner in the industry, TBSPL aims to ensure the accessibility of clean and sustainable energy while promoting a circular economy.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Highlights



A site image of our bio-CNG plant in Dhuri, Punjab

P&ES

Executed a transformative project for the Damodar Valley Corporation power plant, employing flue gas desulphurisation (FGD) technology to enhance sustainability and ensure environmental compliance

TBWES

FlexiSource™ – our multi-fuel solution selected as one of the top innovative solutions introduced in the B20 Business Compendium of the G20 summit

TBSPL

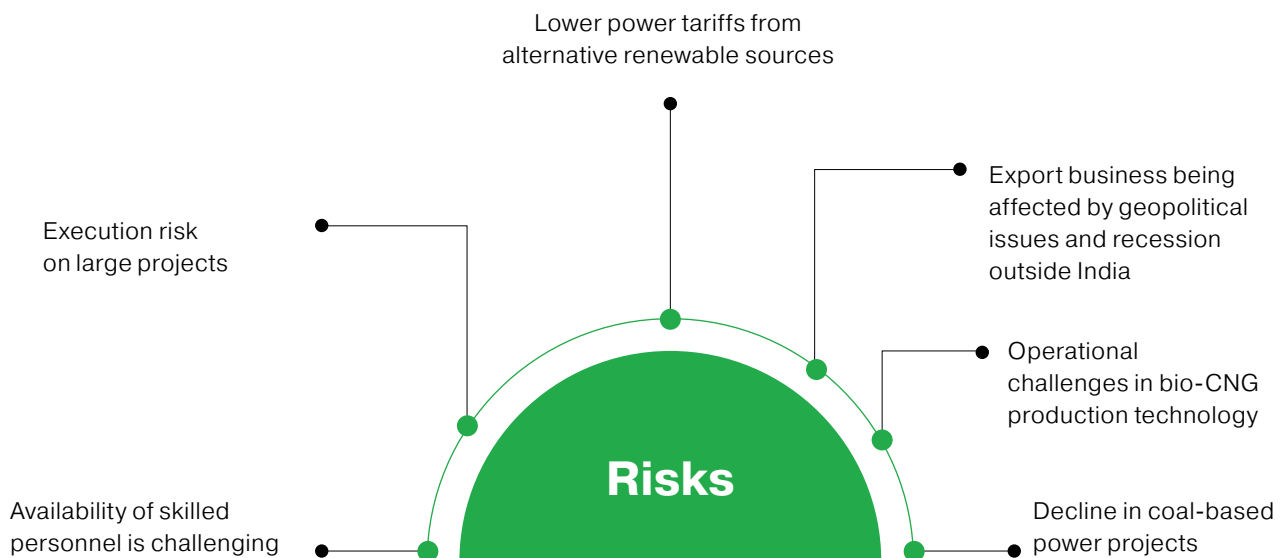
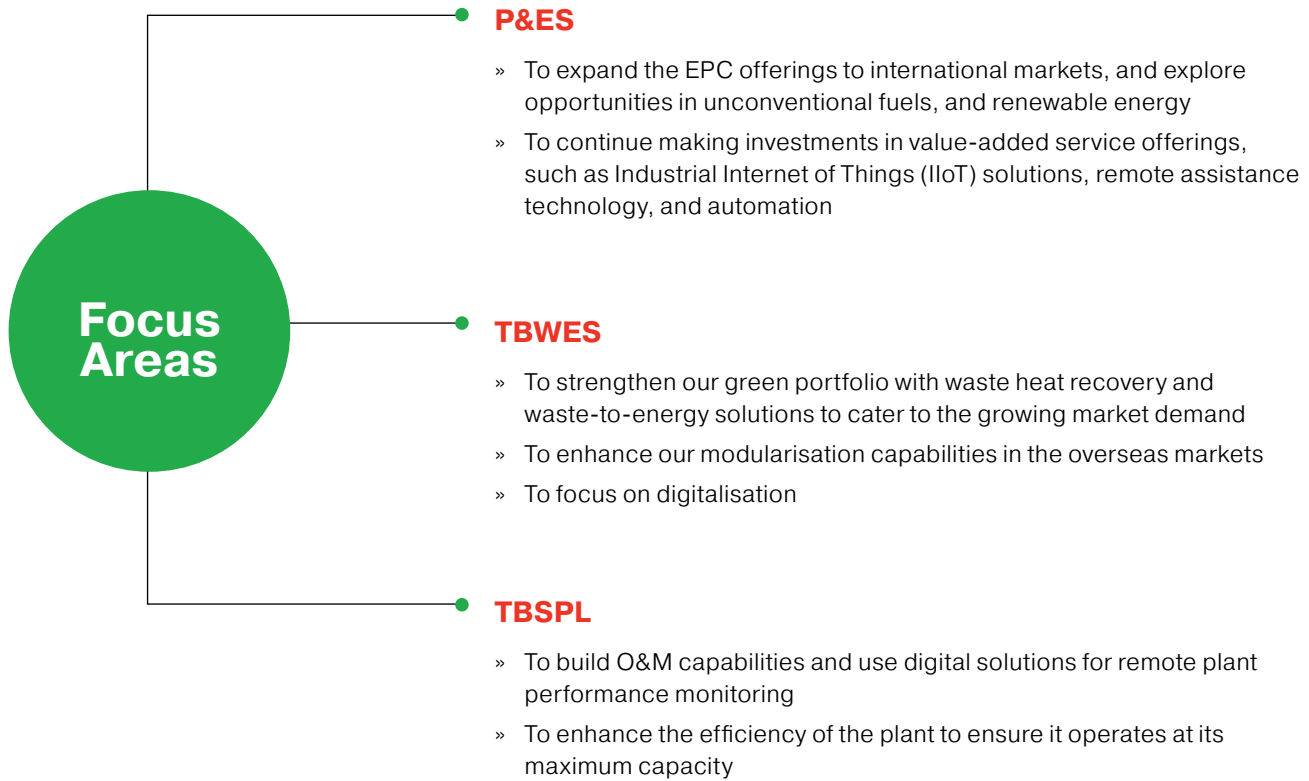
Driven by the Indian government's efforts to decrease natural gas imports and achieve stability against oil and gas price fluctuations, TBSPL has experienced significant traction. Since its inception, it has secured 15+ orders across five states, and initiated 4+ commercial gas generation projects

Growth Drivers

- » Emphasis on clean energy driving shift in the energy mix and creating opportunities for greenfield projects and brownfield replacements
- » Increasing demand for EPC, renewable energy, waste-to-energy, waste heat recovery plants and biofuels with a focus on sustainability and energy-efficient solutions
- » Government mandate to power companies to install FGD systems within a stipulated timeframe to mitigate SOx emissions



The 20 MW captive power plant commissioned for a leading alloy steel manufacturer in South India



MANAGEMENT DISCUSSION AND ANALYSIS

New Product

FlexiSource™: Enabling Energy Input Flexibility

TBWES' ability to offer energy transition technologies and fuel flexibility is one of its growth drivers. The Company's multi-waste solution, FlexiSource™, provides energy input flexibility, effectively tackling fuel availability challenges caused by geopolitical changes, costs, and environmental factors. This waste-to-energy system enhances user capabilities by enabling them to switch energy inputs and decrease reliance on specific fuels.

Benefits of FlexiSource™

14
Different Types of Fuels

285+ kg/hour
CO₂ Reduction

10–300 TPH
Capacities Range

60-100%
Turndown Ratio

81%
Maximum Efficiency





Industrial Infra Subsidiaries

Thermax Babcock & Wilcox Energy Solutions Limited (TBWES), Pune, Maharashtra

Business Performance

TBWES achieved a 6.4% growth in revenue for FY 2023-24 (31.6% growth in FY 2022-23) and experienced a 10.6% decline in order bookings (15.7% growth in FY 2022-23) compared to the previous year. This is on account of the deferment in large order finalisations and delayed traction in waste to energy projects.

Key Solutions Provided

[Read more on page 75](#)

Sustainable Growth Plan

- » To expand its green portfolio in conjunction with the trend towards clean energy, TBWES has formed strategic partnerships and developed newer technologies focussed on waste to energy, municipal solid waste (MSW) incineration and waste heat recovery
- » To develop and deploy multiple green energy solutions which offer multifuel flexibility to achieve the most economical fuel mix
- » To continue focussing on the services portfolio including plant improvement solutions that increase capacity, reliability, emissions performance, useful life and efficiency of existing plants along with digital solutions



TBWES successfully shipped out its first consignment consisting of a fleet of 17 assembled modules for a leading waste to energy technology OEM in Europe

Geographical Footprint

- » Asia
- » Southeast Asia
- » Middle East
- » Africa
- » Latin America
- » Europe

Key Industries

- » Cement
- » Chemicals
- » Distillery
- » Fertilisers
- » Non-Ferrous Metals
- » Paper
- » Petrochemicals
- » Power
- » Refinery
- » Steel
- » Sugar
- » Textiles

Highlights

- » An EPC order for design, manufacture, supply, erection and commissioning of a 250 tonnes per hour solid fuel fired boiler for a major chemical manufacturer
- » Order for design, manufacture, and supply of four waste heat recovery boilers for a leading cement manufacturer
- » Order for design, manufacture, and supply of first MSW RDF (refuse derived fuel) waste to energy boiler with HZI Steinmüller licensed technology in India
- » Order for study and provision of BFG (blast furnace gas) firing in a PC-fired (pulverised coal) boiler for a leading steel manufacturer
- » Order for dismantling and relocation of an HRSG (heat recovery steam generator) boiler for a leading refinery and petrochemical manufacturer

MANAGEMENT DISCUSSION AND ANALYSIS

Case Study

TBWES Commissions High Capacity CFBC Boiler for a Steel Major

The TBWES team successfully commissioned a high-capacity circulating fluidised bed combustion (CFBC) boiler for a prominent steel manufacturer. This boiler was designed to meet the specific requirement of maximising the utilisation of blast furnace gas (BFG), while also being capable of operating seamlessly on 100% coal in the event of gas supply interruptions. In traditional setups, BFG is fired in radiant boilers within steel plants. However, this poses challenges during interruptions, especially when steam generation

from more costly fuels such as natural gas or oil becomes necessary.

Our design team developed eco-friendly CFB technology, in line with the Pollution Control Board emission norms with BFG being the primary fuel and coal the secondary fuel. Customised methodologies were devised to predict thermal hydraulics of CFBC performance under the BFG and coal combination.

Another challenge was placing the BFG burner in the furnace due to the positive pressure nature of CFBC furnaces and low BFG gas pressure.

To address this, our design team identified the optimal elevation for the burner location, based on the pressure profile on the flue gas side. The unit achieved full-load operation in March 2024, meeting the customer's expectations.

2,40,000
MT CO₂
Savings Per Day

Thermax Bioenergy Solutions Private Limited (TBSPL)

Business Performance

TBSPL, similar to a start-up in the bio-CNG sector, is introducing many first-of-a-kind solutions for the Indian market, including rice straw and agro-residue-based biogas, which currently have no globally recognised technologies. TBSPL continues to scale up its rice straw technology in commercial plants although it faces challenges related to digestion technology and critical equipment, particularly in the rice straw preparation system. Despite these operational challenges, TBSPL is investing significant man-hours and financial resources, confident in its ability to enhance and scale pilot projects to commercial levels, making it highly attractive to the market.

Key Solutions Provided

[Read more on page 75](#)

Key Industries

- » Oil and Gas
- » Transportation (using bio-CNG for mobility)

Sustainable Growth Plan

- » To expand manufacturing and geographical footprint by deepening the business presence in domestic markets
- » To engage in strategic partnerships and promote sustainable energy, offering a one-stop solution for bio-CNG and contributing to a circular economy
- » To generate employment opportunities for local communities
- » To invest in technology and R&D

Geographical Footprint

- » India (Punjab, Uttar Pradesh, Gujarat, Delhi-NCR)

Highlights

- » Secured orders from a leading energy conglomerate to establish five bio-CNG plants to be set up in Rajasthan, Madhya Pradesh, Maharashtra (2), and Uttar Pradesh



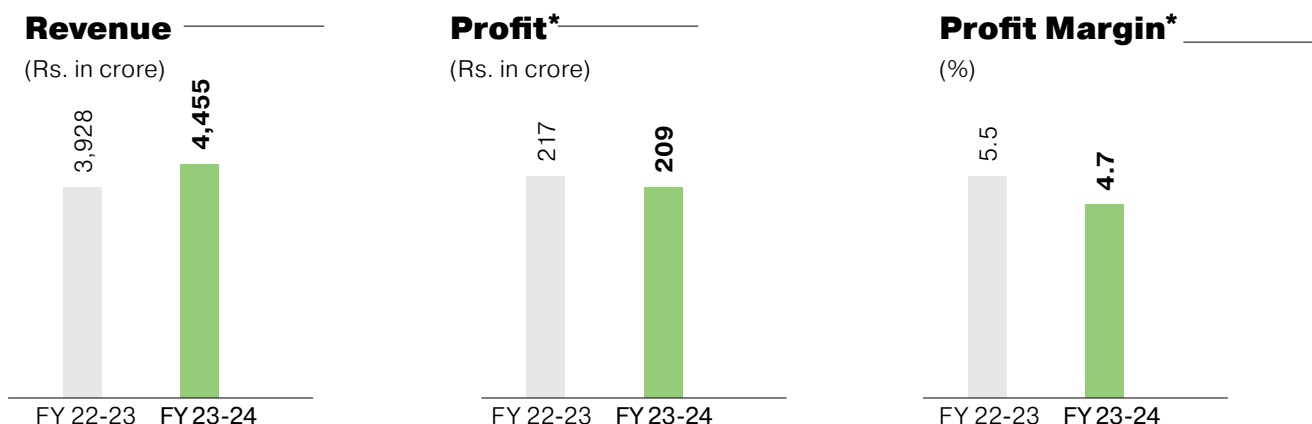
Performance of Industrial Infra Segment in FY 2024

In FY 2024, the Industrial Infra segment accounted for 46% (47.3% in FY 2023) of the Group's gross operating revenue. The operating revenue (net) stood at Rs. 4,455 crore (Rs. 3,928 crore), while segment profit was Rs. 209 crore (Rs. 217 crore) for the same period. The growth in revenue is attributable to carry-forward orders in the project business and new orders received by TBSPL. In FY 2024, order booking stood at Rs. 4,100 crore, growing from Rs. 3,779 crore in the previous year.



■ 3x80 TPH modularised plug-and-play boilers supplied to a major refinery in Iraq

Industrial Infra



Profit* and Profit Margin* – Segment PBIT before exceptional and unallocated overheads

4.3 Green Solutions Business

The Green Solutions segment includes Thermax Onsite Energy Solutions Limited (TOESL), and First Energy Private Limited (FEPL). Through these subsidiaries, the Company typically offers opex-based green utilities and renewable energy solutions through the build-own-operate model. Serving primarily industrial clients, the Company's engagements span 10 to 25 years, underscoring long-term commitment. Although capital-intensive initially, this business assures relatively secure cash flows.

MANAGEMENT DISCUSSION AND ANALYSIS

Our financing model involves installing energy generation equipment for customers under long term fixed price contracts. However, the funding procurement for the same is subject to interest rate variations, thus posing a risk to our long-term profitability. For FEPL, customer default is also a risk which we mitigate by alternative off takers at profitable electricity prices. A default by a TOESL customer could leave our equipment stranded at the customer's site. To minimise this risk, TOESL and FEPL are selective with the kind of customers they work with.

Green Solutions Subsidiaries

Thermax Onsite Energy Solutions Limited (TOESL), Pune, Maharashtra

Business Performance

In FY 2023-24, TOESL registered a satisfactory performance. Revenue grew by 31.5% (60.5% in FY 2022-23), and profits increased by 65.8% (13.8% in FY 2022-23). TOESL commissioned seven new sites during the year, contributing significantly to the topline. Although order booking was not as per our expectations, for the next year, many customers have signed up with repeat orders.

Sustainable Growth Plan

- » With 100% green solutions, TOESL aims to help customers reduce their carbon footprint by replacing fossil fuel consumption. To date, it has enabled customers to reduce more than 1 million tonnes of CO₂e
- » To strengthen its current portfolio through backward integration, digitalisation, and strategic business development
- » To tap new markets through selective internationalisation by capitalising on its present strengths
- » To diversify the portfolio with a focus on bio-CNG, biomass gasification and water and wastewater treatment solutions under the build-own-operate model

Key Industries

- » Chemicals
- » Food and Beverages
- » Pharmaceuticals
- » Textiles
- » Automotive

Key Solutions Provided

- » Supplies utilities such as steam, heat, treated water, and cogeneration power through the build-own-operate (BOO) business model
- » Invests in the capital, sets up and operates a utility plant for the entire lifecycle at the customer's premises
- » Undertakes comprehensive operations and maintenance, and also handles supply chain management of fuel, spares, and consumables
- » Helps customers focus more on core manufacturing processes rather than owning and running such utilities

Geographical Footprint

- » South Asia (India, Sri Lanka, and Bangladesh)
- » Southeast Asia (Indonesia, the Philippines, Thailand, and Malaysia)

Highlights

- » Successfully secured a new account and entered a new industry by winning the inaugural project for green steam supply to a lithium-ion cell manufacturing company in Karnataka
- » Executed a 30 tonnes per hour biomass boiler plant for a biopharma major in Karnataka
- » Secured repeat orders and executed green steam supply projects across various industries, including agrochemicals, a confectionery major, and a specialty chemical company in Gujarat, Tamil Nadu, and Maharashtra respectively
- » Commissioned biomass boiler plants for steam supply to a chemical major in Gujarat and a pharma company in Madhya Pradesh

**Case Study****TOESL Executes a 100% Biomass-Based Boiler Plant for a Large Pharma Company**

TOESL executed a 100% biomass fired 30 tonnes per hour boiler plant for one of India's biggest pharma giants that wanted to switch from natural gas to a green energy source for their plant in Karnataka, India. The challenge was to deliver the project on a build-own-operate basis for a long term in a plant with severe space constraints and in close vicinity to urban commercial spaces.

TOESL deployed one of the largest saturated, hybrid water and smoke

tube boilers with a reciprocating grate to cater to the steam load of the customer. The company designed a first-of-a-kind plant configuration with 'Ground + 1' scheme. The boiler house was designed to have the boiler on the first floor of the plant, at an elevation of +7m height, with space for fuel storage on the ground floor. This ensured sufficient availability of biomass fuel for boiler operations. Four field electrostatic precipitators (ESP) have been deployed to meet the emission limit of 30 mg/Nm³

of suspended particulate matter, making it one of the largest ESPs supplied for a saturated boiler by Thermax.

Rs. 15 crore
Annual Savings

30,000 tonnes
Annual CO₂ Reduction

First Energy Private Limited (FEPL), Pune, Maharashtra**Business Performance**

Achieved a healthy order booking during FY 2023-24, exceeding the annual target by 40%. FEPL's cumulative operational capacity increased from 27.5 MW peak of solar to ~170 MW peak, including solar, wind and hybrid captive renewable power projects in India by the end of March 31, 2024. Additionally, ~59 MW peak of wind and solar capacity projects are nearing commissioning. FEPL is also constructing a ~60 MW of wind renewable power project scheduled to be commissioned in the last quarter of FY 2024-25.

During the year, our solar site in Tamil Nadu was affected owing to unprecedented heavy rains but the plant was adequately insured and is currently under restoration and stabilisation.

Key Solutions Provided

- » Understands the unique energy matrix and designs custom-made solutions for different industries, applications, and energy management goals
- » Manages the entire energy corridor – from behind to beyond the meter – assuring dependable and reliable round-the-clock (24/7x365) green power to customers

Key Industries

- » All industrial clusters

Sustainable Growth Plan

- » To set up renewable captive power plants (solar, wind, hybrid, and storage) to tackle renewable power requirements, providing a sustainable solution for industries and reducing India's carbon footprint
- » To explore the option of connecting large power projects with the CTU (central transmission utility) in the future
- » To collaborate with credible partners
- » To explore additional revenue sources such as carbon market exchanges
- » To adopt new technologies and automate business processes

Geographical Footprint

- » India (Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh, Rajasthan)

Highlights

- » Single order of 75 MW wind captive project received from Tamil Nadu
- » First international order received from the Philippines
- » Concluded an industrial customer acquisition for solar and wind captive projects of 207 MW peak
- » Commissioned a 45.80 MW wind-solar captive hybrid plant in Gujarat for industrial consumers

MANAGEMENT DISCUSSION AND ANALYSIS

Performance of Green Solutions Segment in FY 2024

The Green Solutions segment accounted for 5.2% (4.4% in FY 2023) of the Group's gross operating revenue. The operating revenue (net) stood at Rs. 507 crore (Rs. 363 crore), while the segment's profit was Rs. 45 crore (Rs. 15 crore) for the same period. In FY 2024, the order booking was Rs. 241 crore, growing from Rs. 195 crore in the previous year. The increase in revenue was mainly due to the income generated by new sites under TOESL and FEPL.

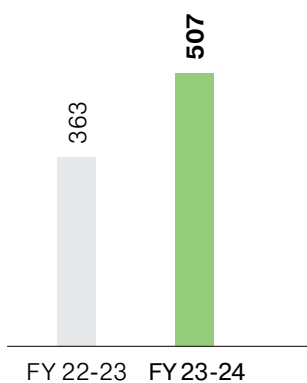


TOESL partnered with a leading specialty chemicals company, marking their third collaboration for green steam supply under the build-one-operate (BOO) model

Green Solutions

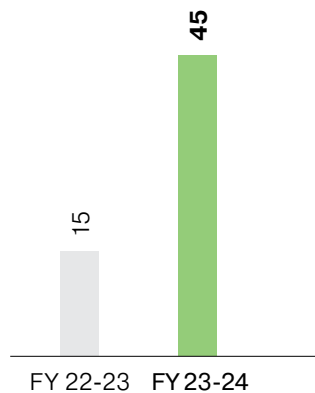
Revenue

(Rs. in crore)



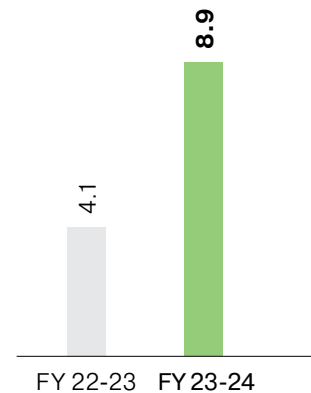
Profit*

(Rs. in crore)



Profit Margin*

(%)



Profit* and Profit Margin* – Segment PBIT before exceptional and unallocated overheads



4.4 Chemical

The Chemical business manufactures and markets a wide range of resins, water treatment and specialty chemicals to help improve processes across various industries through customised and cost-effective solutions. Thermax supplies a range of construction chemicals for strengthening, protecting and repairing concrete structures. It also supplies chemicals for oil field operations and paper and pulp processing.

Case Study

Construction Chemicals Help Restore a 120 m Chimney for Odisha's Metal Conglomerate

A large metal conglomerate in Odisha, India, entrusted Thermax with the task of repairing the 120-metre tall chimney of its power plant. The project, however, was a challenging one. Firstly, the sheer height of the chimney required materials that could withstand severe environmental factors such as wind, rain, and temperature variations. Additionally, it demanded

a blend of innovation, expertise, and high-performance materials to ensure the structural integrity and longevity of the chimney. Also, the timeline for the project was tight, calling for swift execution without compromising on quality.

To address this, Thermax Construction Chemicals developed an innovative solution integrating a variety of high-performance

materials that complemented the existing range of repair products. This comprehensive system was designed specifically to repair and protect the chimney, offering a holistic solution. The Thermax team, along with a renowned applicator, provided extensive technical support, ensuring optimal application and performance of the materials.

Chemical Subsidiary

Thermax Inc., Houston, Texas, USA

Business Performance

During FY 2023-24, the order booking declined by 1% over the previous year (growth of 3.3% in FY 2022-23), and the revenue decreased by 16.8 % (growth of 29.6% in FY 2022-23). The decline was primarily due to the slowdown in the US market, driven by inflation and a recessionary environment.

Key Industries

- » Chemical
- » Commercial
- » Electronics
- » Food and Beverages
- » Oil and Gas
- » Paper
- » Petrochemicals
- » Urban

Geographical Footprint

- » North America

Sustainable Growth Plan

- » To expand into Canada, Mexico, and Latin America markets through our distribution channel with a focus on mix bed application in the North American market
- » We are planning to collaborate with companies through strategic alliances to expand our product portfolio

Key Solutions Provided

- » Sale of chemicals (ion exchange resins)

Highlights

- » Received orders from large OEMs for industrial water treatment
- » Secured multiple orders for drinking water applications
- » Received orders for specialty processing resins from the petrochemical industry
- » Acquired orders for specialty resins for a juice clarification process from a provider of citrus commodities in Brazil

MANAGEMENT DISCUSSION AND ANALYSIS

Performance of Chemical Segment in FY 2024

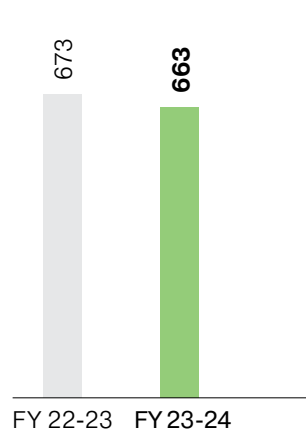
The Chemical segment accounted for 6.9% (8.1% in FY 2023) of the Group's gross operating revenue. The business posted an operating revenue of Rs. 663 crore (Rs. 673 crore), while the segment's profit was Rs. 124 crore (Rs. 86 crore) for the same period. The increase in profit and profitability was mainly due to the stabilisation of commodity costs and an increase in the sales of specialty products. Thermax is setting up an ion exchange resin manufacturing plant at Jhagadia, Gujarat, and will be investing an additional Rs. 45 crore into the Rs. 250 crore plant. We are also investing in new technology tie-ups and exploring partnerships with global majors to expand our chemical portfolio.



Chemical

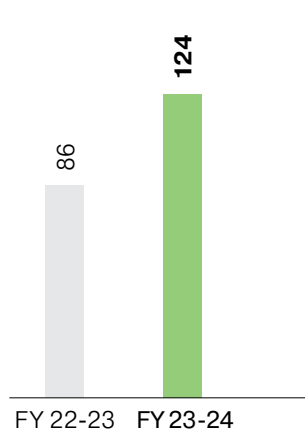
Revenue

(Rs. in crore)



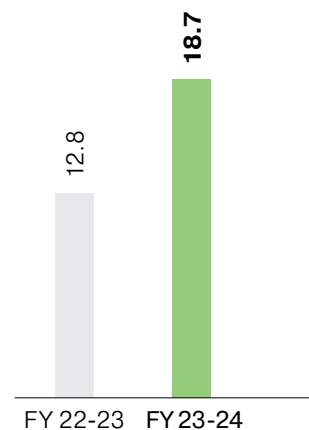
Profit*

(Rs. in crore)



Profit Margin*

(%)



Profit* and Profit Margin* – Segment PBIT before exceptional and unallocated overheads



5. Performance on Strategy



S01

Innovate for Energy Transition

Introduce products and technologies to help industries bridge the gap between energy availability and energy sustainability

Focus Areas

Highlights

Develop cutting-edge energy transition products

- » Introduction of new products that prioritise decarbonisation and facilitate sustainability
 - Innovative hybrid heat pump that combines electrical and absorption technologies to meet both cooling and heating demands singlehandedly
 - Biogas purification equipment that enhances gas processing quality and efficiency

Foster technology partnerships

- » In collaboration with leading companies, Thermax has set up pilot projects to develop biomass gasification and microbial processes to generate green hydrogen
- » Collaborated with EverEnviro since 2022 for bio-CNG production

Invest in R&D

- » The Company is investing in a lot of new energy initiatives including coal gasification, hydrogen, as well as bio-CNG

Penetrate the market with energy transition solutions as One Thermax

- » Events such as Thermax Fest and Roadshows were arranged to showcase a host of our energy transition solutions across India

MANAGEMENT DISCUSSION AND ANALYSIS



S02

Strengthen Solutions Businesses

Enhance our capabilities to provide long-term industrial utility services

Focus Areas

> Highlights

Implement build-own-operate (BOO) model for utility delivery services

- » Adopted a focussed approach towards our TOESL business
For details on business performance and order highlights

[Read more on page 82](#)

Provide renewable energy solutions

- » Established in 2021, FEPL is expanding its opex-based offerings to customers in India and select neighbouring geographies
- » We are currently advancing on multiple aspects such as developing intra-state and inter-state projects and connecting large power projects with central transmission units, working towards firming up RE power with battery energy storage systems
- » These initiatives will ensure round-the-clock clean electricity for industries, even in states lacking renewable resources, aiding their decarbonisation efforts

Offer end-to-end energy management for utilities

- » Provided an energy management solution to a leading industrial conglomerate, resulting in electricity savings of 3,500 units per day



SO3

Scale Up Businesses Relating to Sustainability and Urbanisation

Grow our water, cooling and chemical businesses to offer comprehensive solutions beyond energy transition

Focus Areas

> Highlights

Form strategic partnerships and diversify product portfolio

- » Strategic alliances were made to diversify our portfolio and to ensure that we stay at the forefront of innovation
For more details on the collaboration, refer to the Industrial Products business segment

[Read more on page 67](#)

Establish new growth units

- » Introduced a new ZLD growth unit as an independent entity dedicated to meeting the increasing market demand for effluent treatment and recycling, ensuring compliance with zero liquid discharge norms. This growth unit leverages our indigenously designed and developed multi-effect evaporator (MEE) and mechanical vapour recompression (MVR) technologies, to help industries achieve ZLD with energy efficiency and optimised opex & capex. This solution is particularly advantageous for industries with high water consumption in operations and stringent regulatory requirements, such as textiles, chemicals, pharmaceuticals, F&B, tanneries, and agrochemicals.
- » Secured over 10 orders in FY 2023-24, with a notable one being a 52 KLD MVR system for a reputed cable manufacturer

Expand manufacturing capabilities and capacities

- » Set up an ion exchange resin manufacturing plant at Jhagadia
- » Inaugurated a state-of-the-art manufacturing facility in Pune for water and wastewater treatment solutions to cater to various sectors, including industrial, commercial, municipal, and residential. The applications range from water treatment, effluent treatment, and sewage treatment to reverse osmosis (RO).

MANAGEMENT DISCUSSION AND ANALYSIS



S04

Drive Digital Transformation

Leverage digitalisation to improve efficiency both internally and externally

Focus Areas

> Highlights

Increase digital interventions across processes

- » Set up PMO (project management office) and trained 120+ project managers across Thermax
- » 26/80 digital projects completed in FY 2023-24

Proliferate customer-centric digital platforms

- » For EDGE, we have implemented several initiatives aimed at enhancing customer adoption, including feature additions, UX revamping, and backend process enablement. These efforts culminated in an impressive 8.6/10 rating from over 350 customers.
- » EDGE Live, an AI/ML based asset performance enhancement solution has seen substantial growth in FY 2023-24. We have onboarded 197 unique customers on the platform and currently have 4,670 assets under management.

Strengthen cybersecurity measures

- » Launched 24*7 global cyber defence centre



S05

Build an Agile, Market-Responsive Organisation Structure

Assess and align the organisation with evolving market demands to optimise business performance and resource management

Focus Areas > Highlights

Expand and diversify businesses

- » Demonstrating nimbleness and agility, the organisation is foraying into various new areas in response to customer and environmental demands. Examples of this diversification include ventures into hydrogen, coal gasification, and bio-CNG. Furthermore, we are introducing new product lines within existing businesses. For instance, the Chemical business has introduced new products, and the WWS business has inaugurated a state-of-the-art manufacturing facility to bolster its offerings in water and wastewater treatment.

Restructure for sustainable growth

- » Implemented a strategic initiative to introduce specialised growth units within our business, targeting high-potential areas for expansion and development

Drive internal changes to mobilise, manage and retain talent

- » In order to enhance employee performance and gain optimum outcomes, the Company has facilitated mobilisation of resources within the organisation as per their talents
- » With a view to streamline processes and in line with the current management approach, Thermax has realigned its business segments, which has facilitated smoother operations, enabling the organisation to lead the business with ease
- » Introduced 'Project Sprint' to streamline processes in the organisation and achieve cost and resource optimisation
- » The Company has introduced a revised performance-styled compensation structure for high potential employees, and also introduced Employee Stock Option Plans (ESOPs) for senior officials
- » To manage and retain talent, the organisation conducts talent management programmes for different levels of employees across the organisation

MANAGEMENT DISCUSSION AND ANALYSIS



S06

Energise the Core

Continue to build on our existing strategic priorities

Focus Areas

> Highlights

Increase the share of green offerings

Key green orders leading to clean air, clean energy, and clean water received during FY 2024 across multiple segments include:

Industrial Products

Heating

- » First electric thermic fluid heater order from a chemical industry
- » First-of-a-kind bamboo-fired 26 tonnes per hour steam boiler supplied for an ethanol industry player

Cooling

- » Secured an order for two hot water and two steam-fired chillers from a textile company to meet their process cooling requirements effectively
- » Received an order for three double-effect chillers and two air-cooled heat exchangers for a leading steel manufacturing company

Air Pollution Control

- » Secured a first-of-a-kind scrubber order for cell and module manufacturing from a solar power company
- » Received a flue gas treatment (FGCS) order for a waste to energy municipal solid waste (MSW) project

**Focus Areas****> Highlights****Water and Waste Solutions**

- » Won an order for setting up the first ETP (effluent treatment) recycle ZLD (zero liquid discharge) plant from a battery manufacturer to manage lithium-based effluent
- » First WTP (water treatment plant) and effluent treatment recycle based ZLD system with an integrated biotechnology supplied to a leading biotechnology company manufacturing plasma protein and vaccines

Industrial Infra**Projects and Energy Solutions (P&ES)**

- » Won multiple orders for cogeneration plants from the distillery segment

**Thermax Babcock & Wilcox
Energy Solutions Limited (TBWES)**[Read more on page 79](#)**Thermax Bioenergy Solutions
Private Limited (TBSPL)**[Read more on page 80](#)**Green Solutions****Thermax Onsite Energy Solutions Limited (TOESL)**[Read more on page 82](#)**First Energy Private Limited (FEPL)**[Read more on page 83](#)

MANAGEMENT DISCUSSION AND ANALYSIS

Focus Areas

> Highlights

Grow services portfolio

Thermax provides a comprehensive array of services across its products and projects businesses, including operation and maintenance, plant upgrades, modernisation, and in-depth evaluations, to name a few. Major highlights across segments include:

Industrial Products

Heating

- » A retrofit solution provided for a pharma major to enable fuel shift in their existing boilers from coal to rice husk that resulted in CO₂ reduction of over 81,000 tonnes annually

Cooling

- » 85 abnormalities resolved at the customer end to ensure their equipment uptime through digital intervention - EDGE Live, which saved Thermax's 112 man-days and approx. Rs. 25 lakh of service cost

Air Pollution Control

- » Provided technical services by commissioning 300+ new pollution control equipment in India and globally
- » 240+ aftermarket equipment were addressed through our expert services with zero accidents

Water and Waste Solutions

- » Total portfolio of over 700 customers for O&M, spares and retrofit & revamp as of FY 2024
- » 20+ sites under operations and maintenance for more than 10 years

Industrial Infra

Projects and Energy Solutions

- » Over 100 assets under operations and maintenance, including power plants and utilities, with 25 contracts bagged in FY 2024

Thermax Babcock & Wilcox Energy Solutions Limited

- » Major RLA (remaining life analysis) order secured from a leading Indian player in the gas industry
- » A breakthrough order received from a leading steel manufacturer to convert four 300 MW coal-based power generation units to blast furnace gas firing units

**Focus Areas****> Highlights****Internationalisation**

Major export orders and those bagged by international subsidiaries for FY 2024 across segments include:

Industrial Products**Heating**

- » Three 8 TPH oil and gas-fired boilers and two 21 TPH oil and gas-fired boilers were supplied to a major oil and gas company in the Middle East, providing a unique solution for operational flexibility and efficient steam utilisation for process heating and power generation
- » 30 TPH biomass-fired boiler supplied to a palm oil industry player in Thailand

Cooling

- » Received orders for double effect gas fired VAM (vapour absorption machine) and single effect steam fired VAM for a leading petrochemical company in Saudi
- » Two units of steam-fired VAM supplied to a leading ammonium nitrate company in Australia

Air Pollution Control

- » First order for submerged arc furnace in the Middle East
- » First order from Canada from a carbon black industry

Water and Waste Solutions

- » First EPC project for a 250 kilolitre per day capacity ETP in Indonesia
- » First international reference in the defence sector for a 30 KLD desalination plant in Mauritius

Industrial Infra**Thermax Babcock & Wilcox Energy Solutions Limited**

- » Focussed engineering services in Thailand resulted in significant inquiry growth, leading to increased business in the spares domain
- » Received an order for modularised plug and play 3X80 TPH boilers for a major refinery in Iraq

MANAGEMENT DISCUSSION AND ANALYSIS

Focus Areas

> Highlights

Green Solutions

» **First Energy Private Limited (FEPL)**

[Read more on page 83](#)

Chemical

» **Thermax Inc.**

[Read more on page 85](#)



An electrostatic precipitator (ESP) commissioned for a leading palm oil producer in Columbia. The ESP is for a biomass-fired boiler that uses palm shell and fibre as its primary fuel.



6. Financial Performance

During the year FY 2023-24, the Group recorded an operating revenue of Rs. 9,323 crore as compared to Rs. 8,090 crore in the previous year. The basic earnings per share for the year was at Rs. 57.30 per share (Rs. 39.98 per share in the previous year), and diluted earnings per share was Rs. 57.28 (Rs. 39.98 in the previous year). The analysis of major items of the financial statements is given below.

A. Revenue from the Operation

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|------------------------------------|--------------|--------------|------------|
| Revenue from projects and products | 8,175 | 7,072 | 16% |
| Revenue from services | 1,062 | 962 | 10% |
| Other operating revenue | 86 | 56 | 54% |
| Total operating revenue | 9,323 | 8,090 | 15% |

The increase is primarily on account of the execution of orders received in the earlier period. Industrial Products, Industrial Infra and Green Solutions segments have grown by 22%, 13% and 40% respectively, while the Chemical segment registered a de-growth of 1%. The service revenue increased by 10%, primarily in domestic businesses. The other operating revenue increased due to an exchange gain of Rs. 9.4 crore against last year's loss of Rs. 25.83 crore.

B. Cost of Material Consumed

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|---------------------------|---------------|---------------|-------------|
| Cost of material consumed | 5,220 | 4,625 | 13% |
| % of total revenue | 55.98% | 57.17% | 1.2% |

Stabilisation of commodity cost in Industrial Products and Chemical segments and change in business mix led to the reduction in material cost by 1.2%.

MANAGEMENT DISCUSSION AND ANALYSIS

C. Employee Benefit Expenses

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|---------------------------|------------|------------|------------|
| Employee benefit expenses | 1,148 | 955 | 20% |

During the year, employee benefit expenses increased primarily on account of salary corrections, regular increment cycle, additional headcount in services and for execution of projects and higher incentives to employees.

D. Other Expenses

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|---|-----------------|-----------------|------------|
| Consumption of stores and spare parts | 113.40 | 101.17 | 12% |
| Power and fuel | 57.28 | 61.96 | 8% |
| Freight and forwarding charges (net) | 187.32 | 207.22 | 10% |
| Site expenses and contract labour charges | 1090.29 | 936.48 | 16% |
| Drawing, design and technical service charges | 59.38 | 68.29 | 13% |
| Sales commission | 29.25 | 28.66 | 2% |
| Advertisement and sales promotion | 24.26 | 23.23 | 4% |
| Rent | 26.05 | 23.05 | 13% |
| Rates and taxes | 17.01 | 19.88 | 14% |
| Insurance | 18.85 | 16.10 | 17% |
| Repairs and maintenance | 102.87 | 91.82 | 12% |
| Travelling and conveyance | 110.18 | 93.49 | 18% |
| Legal and professional fees (includes payment to auditors) | 154.73 | 125.95 | 23% |
| Bad debts / advances written off | 57.48 | 40.68 | 41% |
| Warranty expenses (net) | 50.20 | 14.59 | 244% |
| Loss on sale/ discard of assets (net) | 0.88 | 3.79 | 77% |
| CSR expenses | 8.15 | 6.86 | 19% |
| Miscellaneous expenses (includes printing, communication, security expense, etc.) | 52.24 | 50.36 | 4% |
| Total | 2,159.82 | 1,913.58 | 13% |
| Less: Capitalised during the year | (1.60) | (1.31) | 22% |
| Net Total | 2,158.22 | 1,912.27 | 13% |



Other expenses were higher as compared to the previous financial year. This is mainly due to an increase in direct expenses like site expenses and contract labour charges, insurance, and consumption of stores and spare parts on account of increase in activities and revenue during the year. However, freight and forwarding charges registered a decrease following a drop in international freight charges compared to the prior period. Expenses like drawing, and design charges occur frequently during certain phases and are not uniform over the life of various projects. There was an increase in legal and professional charges and travelling expenses due to an increase in volume of business and various new initiatives. Warranty expenses increased on account of provision of warranties on completion of projections / dispatches of product business. In the previous year, there was a reversal of provisions which resulted in lower expenses. Bad debts increased on account of expected credit loss provisioning.

E. Exceptional Item

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|------------------|------------|------------|------------|
| Exceptional item | 75.49 | - | - |

Exceptional gain is on account of the sale of the vacant plot of land for Rs. 126.12 crore and loss on provision related to litigation at Rs. 50.63 crore. The net gain on this transaction amounted to Rs. 75.49 crore.

F. Property, Plant and Equipment

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|-------------------------------------|-----------------|-----------------|------------|
| Property, plant and equipment | 1,701.45 | 1,039.89 | 64% |
| Capital work-in-progress | 519.35 | 433.77 | 20% |
| Right-of-use assets | 173.04 | 176.06 | 2% |
| Goodwill | 3.03 | 3.03 | 0% |
| Other intangible assets | 28.60 | 29.19 | 2% |
| Intangible assets under development | 5.44 | - | - |
| Total | 2,430.91 | 1,681.94 | 44% |

The movement in the property, plant and equipment, and capital work-in-progress is mainly due to solar assets under construction in First Energy Pvt. Ltd. Intangible assets under development pertain to software implementation under new initiatives.

MANAGEMENT DISCUSSION AND ANALYSIS

G. Investment

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|------------------------|-----------------|-----------------|------------|
| Non-current investment | 382.58 | 216.84 | 76% |
| Current investment | 1,363.46 | 1,392.87 | 2% |
| Total | 1,746.04 | 1,609.71 | 8% |

Investments predominantly consist of debt mutual funds and fixed deposits of banks. The increase in non-current investments is mainly due to investment for a tenure of more than 12 months for better returns.

H. Trade Receivable

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|------------------------------|-----------------|-----------------|------------|
| Non-current trade receivable | 150.63 | 114.5 | 32% |
| Current trade receivable | 2,116.43 | 1,762.06 | 20% |
| Total | 2,267.06 | 1,876.56 | 21% |

Trade receivables have increased in line with the increase in volume. Non-current trade receivables have increased due to retentions in large projects.

I. Cash Flow

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|---|--------------|---------------|------------|
| Cash flows from operating activities | 247.30 | 459.56 | 46% |
| Cash flows used in investing activities | (509.21) | (679.68) | 25% |
| Cash flows from financing activities | 285.40 | 348.54 | 18% |
| Total Income | 23.49 | 128.42 | 82% |

The decrease in operating cash flow is due to an increase in execution activities from operations, a subsequent increase in retention in project business, and lower customer advances during the current year. This led to a cascading effect on investing activities. Under financing activities, the increase in interest payment is on account of borrowings for the construction of solar assets in the subsidiary First Energy Pvt. Ltd.



J. Cash and Cash Equivalents and Bank Balance

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|---------------------------|---------------|-----------------|------------|
| Cash and cash equivalents | 486.58 | 452.82 | 7% |
| Bank balance | 488.74 | 678.76 | 28% |
| Total income | 975.32 | 1,131.58 | 14% |

The shifting of the investment portfolio resulted into reduced cash and bank balance.

K. Borrowings

(Rs. in crore)

| | FY 2023-24 | FY 2022-23 | Change (%) |
|-------------------------|-----------------|---------------|------------|
| Non current borrowings | 789.48 | 422.52 | 86% |
| Current borrowings | 466.47 | 388.02 | 21% |
| Total borrowings | 1,255.95 | 810.54 | 55% |

As stated above, the increase in borrowings is mainly due to the execution of solar/wind and hybrid projects under First Energy Pvt. Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

Thermax Financials at a Glance (10-Year Data)

All amounts are in Rupees Crore, except per share data and unless stated otherwise

| Particulars | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16* | 2014-15 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|----------|---------|
| Domestic sales (excluding excise duty) | 7,189 | 5,992 | 4,443 | 3,037 | 3,685 | 3,249 | 2,668 | 2,813 | 3,210 | 3,618 |
| International sales/business | 2,048 | 2,042 | 1,621 | 1,673 | 1,970 | 2,637 | 1,703 | 1,573 | 1,859 | 1,624 |
| % to total sales | 22% | 25% | 27% | 36% | 35% | 45% | 39% | 36% | 37% | 31% |
| Total sales | 9,237 | 8,034 | 6,064 | 4,710 | 5,655 | 5,886 | 4,371 | 4,386 | 5,069 | 5,242 |
| Growth | 15% | 32% | 29% | (17%) | (4%) | 35% | 0% | (13%) | (3%) | 6% |
| Other operating income | 86 | 56 | 64 | 81 | 76 | 87 | 94 | 97 | 76 | 62 |
| Revenue from operation | 9,323 | 8,090 | 6,128 | 4,791 | 5,731 | 5,973 | 4,465 | 4,483 | 5,145 | 5,304 |
| Other income | 233 | 160 | 127 | 108 | 100 | 150 | 116 | 114 | 122 | 123 |
| Total income | 9,556 | 8,250 | 6,255 | 4,899 | 5,831 | 6,123 | 4,581 | 4,597 | 5,267 | 5,427 |
| Total expenses | 8,526 | 7,492 | 5,707 | 4,435 | 5,324 | 5,516 | 4,064 | 4,049 | 4,716 | 4,843 |
| Profit before depreciation, interest, extraordinary items and tax | 1,030 | 758 | 548 | 464 | 507 | 607 | 517 | 548 | 551 | 584 |
| (% to total income) | 11% | 9% | 9% | 9% | 9% | 10% | 11% | 12% | 10% | 11% |
| Depreciation | 148 | 117 | 113 | 115 | 117 | 92 | 82 | 82 | 72 | 134 |
| Interest | 88 | 38 | 25 | 21 | 15 | 14 | 13 | 10 | 12 | 82 |
| Exceptional items of expenses / (income) | (75) | - | - | 53 | - | 90 | - | 18 | - | 49 |
| Profit before tax | 870 | 603 | 410 | 275 | 375 | 411 | 422 | 438 | 467 | 319 |
| (% to total income) | 9% | 7% | 7% | 6% | 6% | 7% | 9% | 10% | 9% | 6% |
| Tax | 226 | 152 | 98 | 69 | 162 | 85 | 166 | 156 | 144 | 171 |
| Profit after tax before non controlling interest and share in loss of associate and joint venture | 644 | 451 | 312 | 206 | 213 | 326 | 256 | 282 | 323 | 148 |
| Share in joint venture /associate's loss | (1) | 0 | - | - | - | (1) | (25) | (66) | (41) | NA |
| Minority interest | - | - | - | NA | NA | NA | NA | NA | NA | (62) |
| Profit after tax after minority and share in an associate's loss | 643 | 451 | 312 | 206 | 213 | 325 | 231 | 216 | 282 | 210 |
| Other comprehensive income | (9) | 0 | 8 | 17 | (9) | (22) | 27 | (19) | 22 | NA |
| Total comprehensive income attributable to: | 634 | 451 | 320 | 223 | 204 | 304 | 258 | 197 | 304 | NA |
| Equity holders of the parent | 645 | 450 | 312 | 223 | 204 | 304 | 259 | 204 | 304 | NA |
| Non-controlling interest | (2) | 0 | - | - | - | - | (1) | (7) | - | NA |
| Gross block | 3,753 | 2,903 | 2,396 | 2,352 | 2,255 | 2,236 | 1,741 | 1,515 | 1,438 | 2,051 |
| Net block | 2,431 | 1,682 | 1,239 | 1,266 | 1,339 | 1,352 | 1,076 | 952 | 887 | 1,474 |
| Investments | 1,746 | 1,610 | 1,470 | 234 | 875 | 829 | 1,472 | 1,083 | 1,050 | 822 |
| Current assets | 6,448 | 6,072 | 4,738 | 4,466 | 3,977 | 4,737 | 4,102 | 3,297 | 3,610 | 4,185 |
| Current liabilities | 4,725 | 4,409 | 3,758 | 3,071 | 2,787 | 3,654 | 3,079 | 2,365 | 2,615 | 3,274 |
| Net current assets | 1,723 | 1,663 | 980 | 1,395 | 1,190 | 1,083 | 1,023 | 932 | 995 | 911 |
| Capital employed | 5,229 | 4,291 | 3,553 | 3,273 | 3,061 | 3,050 | 2,768 | 2,585 | 2,450 | 2,719 |
| Equity share capital | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 24 |
| Reserves and surplus | 4,417 | 3,846 | 3,469 | 3,228 | 3,005 | 2,992 | 2,692 | 2,515 | 2,393 | 2,123 |
| Net worth | 4,440 | 3,868 | 3,492 | 3,251 | 3,028 | 3,015 | 2,715 | 2,538 | 2,416 | 2,147 |
| Minority interest | - | 2 | - | - | - | - | - | 1 | - | 78 |
| Loan funds (long-term) | 789 | 423 | 61 | 22 | 33 | 35 | 53 | 46 | 34 | 494 |
| Fixed asset turnover ratio | 3.80 | 4.78 | 4.89 | 3.72 | 4.23 | 4.35 | 4.06 | 4.61 | 5.71 | 3.56 |
| Working capital turnover ratio | 5.36 | 4.83 | 6.19 | 3.38 | 4.75 | 5.43 | 4.28 | 4.71 | 5.10 | 5.75 |
| Current ratio | 1.36 | 1.38 | 1.26 | 1.45 | 1.43 | 1.30 | 1.33 | 1.39 | 1.38 | 1.28 |
| Return on capital employed | 17% | 15% | 12% | 11% | 13% | 14% | 15% | 15% | 18% | 15% |
| Return on net worth | 14% | 12% | 9% | 6% | 7% | 11% | 9% | 9% | 12% | 10% |
| Cash earnings per share (Rs.) | 70.45 | 50.36 | 37.74 | 28.50 | 29.30 | 37.06 | 27.93 | 27.08 | 31.48 | 28.86 |
| Earnings per share (Rs.) | 57.30 | 39.98 | 27.73 | 18.34 | 18.87 | 28.90 | 20.61 | 19.80 | 25.07 | 17.61 |
| Dividend | 600% | 500% | 450% | 350% | 350%* | 350% | 300% | 300% | 300% | 350% |
| Book value per share (Rs.) | 394 | 343 | 310 | 289 | 269 | 268 | 241 | 225 | 215 | 180 |

*Figures have been reclassified as per Indian Accounting Standards ("IND AS") as prescribed by the Ministry of Corporate Affairs

*It is the interim dividend paid to shareholders



7. Key Opportunities and Risks

The global fight against climate change is driving the sustainability agenda at an unprecedented pace. Governments and industries are both implementing decarbonisation measures to foster a greener future. The Government of India has also pledged to decrease carbon intensity by over 45% by 2030 and attain net-zero carbon emissions by 2070. As a trusted partner in energy transition, Thermax is well-positioned to seize opportunities in this domain.



7.1 New Opportunities

Coal Gasification

The Indian Government is targeting gasification of 100 million tonnes of coal by 2030 and has earmarked Rs. 8,500 crore in incentive schemes for the project. Adopting gasification will reduce India's reliance on importing natural gas, methanol, ammonia, and other essential projects.

➤ Thermax's Response

Thermax is developing gasification plants that can process coal ranging from 100 to 500 tonnes per day. We established a pilot project in Pune with IIT Delhi that was supported by the Department of Science and Technology. The technology developed converts high-ash Indian coal into useful fuels, especially benefitting hard-to-abate industries like steel.

Promoting Bio-CNG (Compressed Biogas)

In November 2023, the government announced the compulsory blending of compressed biogas extracted from municipal and agricultural waste with natural gas to cut reliance on imports. Initially, 1% of biogas will be blended into gas used in automobiles and household kitchens for cooking, starting in April 2025. Gradually, the share will increase to around 5% in 2028.

➤ Thermax's Response

Capitalising on the growing CBG demand and government initiatives such as the SATAT (Sustainable Alternative Towards Affordable Transportation) policy and CBG blending obligation to utilise available biomass in the country such as agro residue, press mud, cow dung and organic municipal solid waste, Thermax is setting up bio-CNG plants for its customers in various states of India. Although first-of-a-kind in technology, the Company is working on the challenges especially with regard to rice straw. This will also generate local employment opportunities and help in fostering a circular economy. We have also entered into biogas purification and upgradation solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

Low Adoption of Sustainable Solutions Due to High Upfront Costs

The initial set up cost of sustainable solutions such as renewable energy remains a significant barrier for adoption. Price-sensitive consumers and smaller businesses often prioritise affordability over long-term benefits like energy independence and reduced environmental impact.

➤ Thermax's Response

Thermax provides customers with the option of an opex model for certain solutions which eliminates the need for customers to incur high upfront costs. This approach makes sustainable solutions accessible to a broader range of players, including smaller ones. By offering solutions as a service, Thermax also generates recurring revenues, providing more predictable cash flows over the lifespan of the project. The government subsidies and concessions to various environment-friendly projects also make the proposition cost attractive.

Digital Revolution is Transforming How Businesses Approach Sustainability

Technologies are increasingly penetrating the sustainability landscape. These include the Internet of Things (IoT) for improving efficiency, uptime, and maintenance predictability.

➤ Thermax's Response

Through EDGE and EDGE Live, Thermax is also building a robust digital solutions portfolio to enable its customers to embark on their sustainability journeys.

7.2 Threats

- » The Red Sea crisis has significantly impacted global trade through attacks on commercial vessels. According to the Global Trade Research Initiative (GTRI), rising shipping and insurance costs, coupled with delayed shipments, will continue to disrupt global value chains. This trend is expected to squeeze margins, rendering exports of many low-margin products unviable from their current locations.
- » Competition from large Indian and foreign players, as well as start-ups, poses a serious threat. This risk includes competition from local players with robust biomass sourcing networks and databases offering BOO solutions, as several multinational corporations transition from fossil fuels to biomass.
- » Our businesses are heavily dependent on government policies. Any pushback in regulatory policies will negatively impact demand in the energy and environment segments.
- » The global EPC business faces a significant threat due to cheaper power tariffs from alternative renewable sources, making it less viable to operate captive power plants compared to grid tariffs. Additionally, increased costs of live energy are impacting the feasibility of VAM, while high gas prices are reducing the feasibility of cogen in Europe.
- » The continuous availability, storage, and pricing of bio-CNG feedstock, unclear mandates for selling digested material as bio-manure, and the absence of gas pipeline infrastructure without a take-or-pay policy threaten the bio-CNG ecosystem.
- » A rise in interest rates poses a threat to our capital-dependent businesses such as FEPL and TOESL. It also increases the total cost to customers of our capital products.



8. Others

8.1 Risk Management

The Company's Enterprise Risk Management framework periodically evaluates and monitors significant risks and business processes and suggests suitable mitigation plans across different locations to maintain the robustness of its systems. For more information on risk management

[Read more on pages 32-33](#)

8.2 Internal Controls

The Company examines the quality of its controls and the amount of compliance with the help of its Internal Audit function. The management and the internal audit team evaluate the Company's internal financial and operational controls. Operating managers are kept up-to-date on changes in the law that affect their areas of operation through a process. Managers check for compliance with certain provisions once a month. To decrease the possibility of unethical behaviour, the organisation has a strong culture and comprehensive protocols in place, including a clear code of conduct and a whistleblower policy. In addition, it employs enterprise resource planning software in its operations. The programme features a number of built-in controls as well as a thorough examination of differences between performance and plan. The Company's internal culture also helps to lessen the chance of any unethical practices.

8.3 Health, Safety and Environment (HSE)

- » Thermax cares about the health and safety of its employees and stakeholders and environmental preservation. The Company has deployed extensive programmes across its operations and manufacturing facilities, and is committed to creating a safe work environment for its stakeholders.
- » The leadership team drives the HSE initiatives with active guidance from the Board members. Respective leads at the business locations review the performance.
- » Thermax engages with all its contractors and partners in its HSE culture-building journey. The Company also engages with its supply chain partners through capacity building and onsite feedback on holistic HSE improvements.

Thermax Life

This initiative focusses on enhancing organisational culture building, while also receiving support from efforts aimed at improving processes, encouraging participation, increasing transparency, and fostering accountability.

a. Culture-building

Behaviour-Based Safety (BBS)

It is a significant initiative of the Company aimed at fostering a safety-conscious culture. All employees, workers, and contractors undergo training and are actively encouraged to practice BBS.

60%

Employees and Workers were Unique Observers*

(*A unique observer reports at least one BBS observation in a calendar year)

One Day Safety Officer

Thermax encourages line managers to take on the role of a safety officer for a day, engaging in tasks like conducting toolbox talks, safety inspections, safety meetings, and incident investigations. This approach provides them with a deeper understanding of the safety officer's responsibilities and enhances their sense of ownership towards safety initiatives.

1,182

Line Managers Worked as One Day Safety Officers at Project Sites in FY 2023-24

Thermax's Life Saving Rules

These rules are binding for all individuals working for or on behalf of the Company. Posters illustrating these rules are prominently displayed across various locations, and booklets in local languages are distributed to ensure understanding. A capacity-building initiative is currently in progress, and compliance with these rules is closely monitored.

MANAGEMENT DISCUSSION AND ANALYSIS

b. Standardisation

We review and standardise various processes as one HSE process across the organisation. This year, risk management and competency-building procedures were reviewed and revised. The risk management procedure provides guidelines on identification of hazards, evaluating risks, and establishing controls. The hazard operability (HAZOP) study is required for the chemical business and is also used with due diligence while onboarding non-Thermax-make boiler jobs for O&M.

The training and competency building programme is being updated in accordance with the intent of ISO 45001 and 14001 standards.

The Company conducts comprehensive assessments at its major projects and plant locations to identify training needs based on capability assessments. The results guide the delivery of tailored training programmes, with individuals undergoing reassessment until they are certified as competent. This approach drives continuous improvement and enhances the proficiency of personnel.

c. Digitisation

Digitisation supports the Company's culture-building and implementation of HSE procedures by addressing safety concerns such as at-risk behaviours (BBS), near misses, and unsafe conditions. It supports entire incident management i.e. reporting, investigation and monitoring the implementation of lessons learned across business. Safety inspections and audit management provide critical assurance to the site management and leadership teams

on implementation of important safety requirements.

We have successfully piloted the HSE application known as 'Thermax LIFE' in one of our business units facing significant risk, overseeing various EPC and O&M projects. All employees, workers, and contractual workers can access Thermax LIFE, and it is available in local languages. Users can capture images of HSE concerns, add textual or vocal descriptions, and submit them for correction. Both regional and senior leadership can access these reports, ensuring swift resolution and enhancing visibility, accountability, traceability, and speed. With Thermax LIFE, the Company showcases its commitment to safety and enters a new era of technological advancement, where the fusion of digitisation and safety serves as the foundation for operational excellence.

Safety Campaigns

The Company undertakes extensive activities to promote safety awareness among employees and workers. These activities typically are targeted training, competitions, skits, and gamified learning.

a. Quarterly Safety Campaign

Based on the Company's risk profile, it has undertaken campaigns on work at height, monsoon safety, electrical safety, and road safety.

b. Observing the Safety Week

The National Safety Week was celebrated from March 4 to 11, 2024, under the theme 'Focus on Safety Leadership for ESG Excellence'. It saw active participation from the managing director and our senior

leadership, with the hoisting of the safety flag at respective locations and highlighting the importance of safety.

15,000

Thermax Employees, Workers, Third-Party Staff, and Contractual Workers Participated in the National Safety Week Activities

c. Road Safety Month

From January 15 to February 14, 2024, the Road Safety Month was observed across locations, offices, and customer sites. Activities included an online quiz, a drawing competition, training on mobile vehicle safety, an awareness rally and a skit, PUC check-up and check-ups of all transport vehicles.

d. Special Safety Campaign

The Company believes safety starts at home. Extending its efforts beyond the workplace, it has engaged with the family members of employees and workers through targeted campaigns focussing on fire safety and road safety. An online awareness session was organised, complemented by motivational initiatives to reinforce the importance of safety both on and off the job.

400

Family Members Participated

Toolbox Talks

Daily mailers on lessons learned based on the near-misses and incidents reported are shared with employees across the organisation under the HSE Connect initiative.



They are a mandatory part of the toolbox talks that are attended by every worker of the Company before the start of their shift. It helps to reduce repetitive incidents and mistakes and establishes a culture of learning.

Emergency Preparedness

Emergency preparedness includes planning and responding to disasters. The Company takes steps to make sure the workers are safe before, during and after an emergency or

natural disaster. All manufacturing, project, and office sites across India have comprehensive emergency preparedness plans in place. The Company has provided training sessions on fire prevention and control to equip employees with the necessary skills. Additionally, mock drills on emergency evacuation are regularly conducted at manufacturing, project, and office facilities to ensure preparedness and effectiveness in handling potential crises.

Automated external defibrillator (AED), a life-saving device, is installed at manufacturing locations and major offices. Employees are trained to use it in case of an emergency.

110

Appreciation Letters Received From Customers

We regret to report three fatalities of contractual workers at our sites during FY 2023-24. Each of these incidents was thoroughly investigated by an expert team, and causes were identified. The Company regrets such tragic events and has taken the necessary precautionary measures wherever required. Lessons learned from these instances have been shared across the organisation to prevent future occurrences.

Update on Certifications and Audit

| | | |
|---|---|---|
| Cooling plant at Sri City - Recertification audit done for ISO 14001:2015 and ISO 45001:2018 were conducted by M/S LRQA | TBWES project sites and manufacturing plants at Savli, Mundra, Chinchwad and Shirwal – Recertification audit for ISO 14001:2015 and ISO 45001:2018 were conducted by M/S Bureau Veritas | Heating manufacturing units at Chinchwad and Savli – Recertification audit for ISO 14001:2015 and ISO 45001:2018 were conducted by M/S TUV: SUD |
| TOESL - First surveillance audits for ISO 14001:2015 and ISO 45001:2018 were conducted by M/S DNV | Chemical manufacturing facilities at Paudh, Jhagadia and Dahej – First surveillance audit for 14001:2015 and ISO 45001:2018 were audited by M/S Bureau Veritas | P&ES business and heating project sites – First surveillance audit for ISO 45001:2018 was conducted by M/S TUV: SUD and M/S DNV |
| WWS division – Second surveillance audit for ISO 45001:2018 was conducted by M/S Bureau Veritas | Environment business – First surveillance audit for ISO 14001:2015 & 45001:2018 done by M/S TUV: SUD | |

Safety Audits and Trainings

1,668 internal inspections and audits and six external safety audits were carried out in FY 2024. Regular HSE trainings are conducted for employees, contractors, vendors, and suppliers. All new employees are introduced to the aspects of HSE, and all contractual workers receive mandatory HSE training before the commencement of work.

2,941
Employees and

68 Spouses
Received CPR Trainings

1,668
Internal Inspections and Audits Conducted

9. Human Resources

As an organisation known for governance and ethics, Thermax invests in skill-building, employee engagement and welfare to maximise outcomes and provide a safe and healthy work environment to our employees.

For more information on the Company's human resources

[Read more on pages 42-47](#)

10. Cautionary Statement

The Management Discussion and Analysis contains statements about future events, financial and operating results of Thermax Group, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to change based on risks and uncertainties. A number of factors could cause assumptions and actual future results and events to differ materially from those expressed in the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements.



DIRECTORS' REPORT

Dear Shareholder,

Your Directors have pleasure in presenting the 43rd Annual Report on the business and operations of the Company, together with the audited financial statements of your Company for the year ended March 31, 2024.

Financial Results

(Rs. in crore)

| Particulars | Standalone | | Consolidated | |
|--|------------|------------|--------------|------------|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Total revenue | 5,821.93 | 5,141.16 | 9,323.46 | 8,089.81 |
| Profit before finance cost, depreciation and tax | 674.56 | 517.02 | 1,029.96 | 757.74 |
| Finance cost and depreciation | 96.58 | 92.73 | 235.67 | 154.45 |
| Profit before tax and exceptional items | 577.98 | 424.29 | 793.47 | 603.06 |
| Exceptional items | 2.08 | 7.20 | 75.49 | - |
| Profit before tax but after exceptional items | 580.06 | 431.49 | 868.96 | 603.06 |
| Provision for taxation (incl. deferred tax) | 142.62 | 102.23 | 225.77 | 152.36 |
| Profit after tax | 437.44 | 329.26 | 643.19 | 450.70 |
| Other comprehensive income | (4.21) | (7.78) | (8.87) | 0.19 |
| Total comprehensive income | 433.23 | 321.48 | 634.32 | 450.89 |
| Total equity | 3,536.70 | 3,217.76 | 4,439.80 | 3,868.07 |
| Earnings Per Share (EPS) (Rs.) face value per share Rs. 2/- from continuing operations | 36.71 | 27.63 | 57.30 | 39.98 |
| Earnings Per Share (EPS) (Rs.) face value per share Rs. 2/- from continuing and discontinuing operations | 36.71 | 27.63 | 57.30 | 39.98 |

Result of Operations and the State of Affairs

Standalone

Your Company, on a standalone basis, posted a revenue of Rs. 5,822 crore for the FY 2023-24, against last year's revenue of Rs. 5,141 crore. Revenue from exports was up 12.7% at Rs.1,077 (Rs. 1,053 crore). Order booking from continuing operations stood at Rs. 5,751 crore, higher by 8.4% as compared to Rs. 5,307 crore in the previous year.

Consolidated

On a consolidated level, the group revenue was at Rs. 9,323 crore (Rs. 8,090 crore). The Group's international business was higher by 5.3% at Rs. 2,048 crore (Rs. 2,041 crore). Consolidated order booking for FY 2023-24 increased by 6.4% to Rs. 9,355 crore

(Rs. 8,788 crore). Order booking in international markets at Rs. 2,087 crore was higher by 1.1%.

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report.

Credit rating

Your Company has been rated 'AA+/ Stable (Reaffirmed) for Long Term Rating and A1+ (Reaffirmed) for Short Term Rating' by Credit Rating Information Services of India Limited (CRISIL) for its banking facilities. The rating reflects your Company's continued good parentage, credit profile, liquidity position, strong corporate governance practices, financial flexibility and conservative financial policies.

Dividend

The Board of Directors have recommended a dividend of Rs.12/- (600%) per equity share of face value of Rs. 2/- each for the year ended March 31, 2024. The dividend is subject to the approval of members at the ensuing Annual General Meeting (AGM).

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has adopted the Dividend Distribution Policy, which is made available on the Company's website and can be accessed using the link: <https://www.thermaxglobal.com/wp-content/uploads/2020/03/DIVIDEND-DISTRIBUTION-POLICY.pdf>

Transfer to Reserve

The closing balance of the retained earnings of the Company for FY 2023-24, after all appropriation and adjustments, was Rs. 2,963.25 crore on standalone basis and Rs. 3,710.64 crore on a consolidated basis. During the year, the Company has not transferred any amount to the General Reserve.

Share Capital

The paid-up equity share capital of the Company was Rs. 23.83 crore as on March 31, 2024. There were no public or preferential rights or bonus issued during the year. The Company has not issued any shares with differential voting rights, sweat equity shares. The details of ESOP granted during the year are provided on the website of the Company.

Statement of Deviation(s) or Variation(s) in Share Capital

During the year under review, there was no instance to report Statement of Deviation(s) or Variation(s) in share capital as per Regulation 32 of Listing Regulations.

Subsidiaries

In accordance with Section 136 of the Act, the Annual Report of your Company containing inter alia, financial statements and consolidated financial statements, has been placed on our website: <https://www.thermaxglobal.com/annual-reports/> which can be accessed using the above link.

Further, the financial statements of the subsidiaries have also been placed on our website: <https://www.thermaxglobal.com/subsidiary-annual-report/>

The report on the growth trends and outlook of those subsidiaries which impact your Company's performance

reasonably are captured in the Management Discussion and Analysis section of this report.

Changes in Subsidiaries during the Year

Through its wholly owned subsidiary, First Energy Private Limited (FEPL), the Company has established below step-down subsidiaries for undertaking renewable energy projects in different states of India:

| Name of Subsidiary | Date of Incorporation |
|-----------------------------------|-----------------------|
| First Energy 8 Private Limited | August 10, 2023 |
| First Energy Nine Private Limited | February 1, 2024 |
| First Energy 10 Private Limited | March 23, 2024 |

During the year, Thermax Onsite Energy Solutions Limited (TOESL), a wholly owned subsidiary of the Company completed acquisition of 100% stake in Thermax Energy & Environment Lanka Private Limited (TEELK), previously a wholly owned subsidiary of Thermax Engineering Singapore Pte Limited. However, TEELK continues to be a stepdown subsidiary of the Company.

During the year, the Company has executed Share Purchase and Share Subscription Agreement (SHA) on February 06, 2024 for acquisition of 100% equity share capital of TSA Process Equipments Private Limited in one or more tranches.

The Hon'ble National Company Law Tribunal has approved the Scheme of Arrangement between Thermax Cooling Solutions Limited (TCSL/Demerged Company) and Thermax Instrumentation Limited (TIL/Resulting Company), wholly owned subsidiaries of the Company, under Sections 230 to 232 read with Section 66 of the Companies Act, 2013. Pursuant to this order, Cooling Business of TCSL has been demerged with TIL.

The Hon'ble National Company Law Tribunal has approved liquidation of Thermax Sustainable Energy Solutions Limited.

Management Discussion and Analysis

The Management Discussion and Analysis section highlighting the performance of the Company's Industrial Products, Industrial Infra, Green Solutions and Chemicals, including details of select subsidiaries, information on the Company's health, safety and environment measures, human resources, risk management and internal controls, is given on page no. 105.

Corporate Governance Report

A detailed report on Corporate Governance as per Listing Regulations and disclosures required as per section 134 and 177 of the Companies Act, 2013, is attached as Annexure 1 on page no. 118.



A certificate from M/s. SVD & Associates, Practising Company Secretaries, Pune, regarding compliance with the conditions of corporate governance as required under Schedule V of the Listing Regulations forms part of this Report.

Change in Object Clause of Memorandum of Association (MoA)

The Board of Directors of the Company at its meeting held on May 10, 2024, has approved amendments to the Object Clause of the MoA of the Company, subject to shareholders approval. The said proposal forms part of the Notice of the 43rd AGM of the Company.

Secretarial Standards

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) as amended from time to time.

Business Responsibility and Sustainability Reporting (BRSR)

In terms of the Listing Regulations, Business Responsibility and Sustainability Report including BRSR core indicators describing the initiatives undertaken by the Company from environmental, social and governance perspectives is enclosed as Annexure 2 on page no. 144. PWC has provided a limited assurance report on core BRSR indicators.

Vigil Mechanism/Whistleblower Policy

The Company has a 'Whistleblower Policy' as a part of the vigil mechanism to deal with instances of fraud and mismanagement, if any. The details of the policy are provided in the Corporate Governance Report and also available on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2021/08/Thermax-Ltd.-Whistleblower-Policy-.pdf>

Industrial Relations

The overall Industrial Relations at all the manufacturing locations was peaceful during the financial year 2023-24.

Human Resources Management

1. Particulars of Employees

The total number of permanent employees on the rolls of the Company as on March 31, 2024, was 2,843 compared to 2,572 employees in the previous year. At the group level, the total number

of permanent employees are 5,225 compared to 4,818 employees in the previous year.

The information required pursuant to section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, duly amended, in respect of employees of the Company, forms part of Annexure A to this Board's report and information required pursuant to Rule 5(2) 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 to receive it. Any shareholder interested in obtaining such particulars may write to the Company Secretary.

2. Anti-Sexual Harassment Policy/Internal Committee

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. To build awareness in this area, the Company has been carrying out online induction/refresher programmes across the organisation on a periodic basis.

An Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment at workplace under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There was one complaint received and resolved during the financial year 2023-24.

Disclosure pursuant to Section 197(14) of the Companies Act, 2013, and Rules made thereunder

The Managing Director and CEO of the Company is not in receipt of any remuneration and/or commission from any Holding / Subsidiary Company, as the case may be.

Details of Trusts for the Benefit of Employees

a) ESOP Trust

The Company has a Thermax Employees ESOP & Welfare Trust which holds 29,00,362 equity shares of Rs. 2/- each of the Company.

The trust has not entered into any transaction of buying or selling of shares in the secondary market.

Thermax Employee Stock Option Scheme 2021

With a view to motivate the key workforce, seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents and to retain them for ensuring sustained growth, your Company has implemented an employee stock option plan namely 'Thermax Limited Employee Stock Option Plan 2021' ("ESOP 2021"/ "Plan") covering the employees of the Company and its Group Companies including subsidiary and its associate companies.

The scheme was approved by the shareholders through postal ballot on January 13, 2022, with requisite majority.

During the year under review, the Nomination and Remuneration Committee (NRC) and the Board of Directors of your Company, have approved grant of stock options to employees under ESOP 2021.

There were no material changes made in the ESOP 2021 during the year. The above-mentioned Scheme is in compliance with the SEBI (Share-Based Employee Benefits & Sweat Equity) Regulation, 2021 (SBEB Regulations, 2021). No employee was issued stock options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant. Your Company's Secretarial Auditor, M/s. SVD & Associates, Practising Company Secretaries, Pune, has certified that the Company's above-mentioned Scheme has been implemented in accordance with the SBEB Regulations, 2021.

In line with regulation 14 of the SBEB Regulations, 2021, a statement giving complete details, as at March 31, 2024, is available on the website of the Company: <https://www.thermaxglobal.com/thermax-disclosures-under-sebi-sbeb-regulations/>

b) Employee Welfare Trusts

The Company has various Employee Welfare Trusts primarily for providing medical, housing and 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.

In line with regulation 14 of the SBEB Regulations, 2021, a statement giving complete details, as at March 31, 2024, is available on the website of the Company: <https://www.thermaxglobal.com/thermax-disclosures-under-sebi-sbeb-regulations/>

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on the 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 provided as Annexure 3 on page no. 185.

Corporate Social Responsibility Initiatives

As a part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken project in the area of education. The project is in accordance with Schedule VII of the Companies Act, 2013. Since 2007, CSR initiatives have been undertaken through Thermax Foundation, the details of CSR activities are provided under CSR Activities and CSR Policy on page no. 50.

The Annual Report on CSR Activities is provided as Annexure 4 on page no. 188.

The details of the CSR Committee and CSR Policy are available on the Company's website: <https://www.thermaxglobal.com/corporate-governance-policies-and-disclosures/>

Directors and Key Managerial Personnel

The Board of Directors of your Company comprises of 10 directors, viz., two non-executive directors, one executive director and seven independent directors, including one independent woman director as on March 31, 2024. As per the articles of association of the Company, one-third of the directors, other than independent directors and Chairperson, are liable to retire by rotation at the AGM of the Company every year.

Mrs. Rajani Kesari (DIN: 02384170) was re-appointed as Independent Director of the Company for a term of 5 (five) consecutive years commencing from November 14, 2023 to November 13, 2028 (both days inclusive).

Basis the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on October 17, 2023, approved the appointment of Mr. Shyamak R. Tata (DIN: 07297729) as Additional, Non-Executive Independent Director of the Company for a period of 5 (five) consecutive years with effect from October 17, 2023 to October 16, 2028 (both days inclusive). The justification of Board on Mr. Tata's appointment forms part of the Postal Ballot Notice dated October 17, 2023. The members approved the



appointment of Mr. Tata by passing a special resolution vide postal ballot on January 06, 2024.

Pursuant to Regulation 17(1D) of the Listing Regulations, approval of members in AGM of the Company will be required for any director who has been serving on the Board of listed entity as on March 31, 2024 for last five years or more. Accordingly approval of members is being sought to continue the directorship of Mrs. Meher Pudumjee (DIN: 00019581), Non-Executive Director of the Company for a period of 5 (five) consecutive years commencing from April 01, 2024 to March 31, 2029 (both days inclusive). Considering the performance evaluation and based on recommendations of the Nomination and Remuneration Committee, the Board has approved and recommended continuation of Mrs. Pudumjee as a Non-Executive Director for a term of five consecutive years commencing from April 01, 2024 to March 31, 2029 (both days inclusive), subject to approval of shareholders at the ensuing Annual General Meeting (AGM) of the Company.

Further, in accordance with the provisions of the Companies Act, 2013, and the Company's Article of Association, Mr. Ashish Bhandari (DIN: 05291138), retires by rotation and being eligible offers himself for re-appointment. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors recommends his re-appointment.

Mr. Nawshir Mirza and Dr. Jairam Varadaraj will be completing their tenure as Non-Executive, Independent Directors of the Company on July 21, 2024. The Board of Directors place on record appreciation for the valuable contributions made by Mr. Mirza and Dr. Varadaraj during their tenure.

The above proposals forms part of the Notice of the 43rd AGM of the Company.

The Company has received the necessary declarations from all the directors as required under the Companies Act, 2013 and the Listing Regulations.

Board and Independent Directors' Meeting

A calendar of meetings is prepared and circulated in advance to the directors. During the year, seven Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

For the FY 2023-24, one meeting of the independent directors was held on February 10, 2024.

Familiarisation Programme

The Company has formulated a policy on 'Familiarisation Programme for Independent Directors', which is available

on the Company's website: <https://www.thermaxglobal.com/corporate-governance-policies-and-disclosures/>.

Committees of the Board

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

Key Managerial Personnel

During the year under review, there were no changes in the key managerial personnel of the Company.

Remuneration Policy

The Remuneration Policy details for selection, appointment and remuneration of directors and senior management are given in the Corporate Governance Report, and the said policy is available on the Company's website: <https://www.thermaxglobal.com/wp-content/uploads/2020/03/Policy-on-Selection-and-Appointment-of-Directors-and-their-Remuneration.pdf>

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, and Listing Regulations, annual evaluation of performance of the Board, its Committees and individual directors was carried out through an external agency. Recommendations arising from this entire process were deliberated upon by the Board to be used constructively in order to enhance its overall effectiveness.

Board Diversity

The Company recognises and embraces the importance of a diverse Board for its success. Your Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender that will help in retaining its competitive advantage. The Board Diversity Policy adopted by the Board outlines its approach to diversity. The policy is available on the website: <https://www.thermaxglobal.com/wp-content/uploads/2021/04/Board-Diversity-Policy.pdf>

Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Companies Act, 2013, the directors of your Company, 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, 2024, the applicable accounting standards have been followed along with

proper explanation relating to material departures, if any;

- b) Appropriate accounting policies have been selected, applied consistently and judgement and estimates have been made that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on March 31, 2024, 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.

Please refer to the Internal Controls section of the Management Discussion and Analysis for further details.

Details Regarding Frauds Reported by Auditors under Section 143(12)

The Company has received a few whistle-blower complaints during the last quarter of the year for which final outcome are pending. Based on the initial reviews performed, the management does not believe that these allegations will result in having a material impact on these financial statements or the internal controls over financial reporting process as on March 31, 2024. Also refer to note no. 44 of the Standalone Financial Statements.

Related Party Transactions

All related party transactions entered into during the financial year were at arm's length basis and were in the ordinary course of business. There were 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. Hence disclosure of particulars of contracts or arrangements with related parties referred to in sub-Section (1) of Section 188 in the prescribed form AOC 2 is not required.

All related party transactions are placed before the Audit Committee. Prior omnibus approval of the Audit Committee is obtained annually for transactions that are foreseeable and repetitive. The transactions entered pursuant to the omnibus approval so granted along with the statement giving details of all related-party transactions are placed before the Audit Committee for their approval on a quarterly basis.

Pursuant to the latest amendments by the SEBI, the Company has adopted the revised policy on Related Party Transactions which is available on the Company's website: <https://www.thermaxglobal.com/wp-content/uploads/2023/03/RPT-Policy.pdf>

None of the directors have any pecuniary relationships or transactions vis-à-vis the Company except as disclosed under Sr. No. 2 of the Corporate Governance Report.

Standalone and Consolidated Financial Statements

The financial statements for the year ended March 31, 2024, have been prepared as per Schedule III to the Companies Act, 2013, as amended from time to time. The consolidated financial statements of the Group are prepared in compliance with the Accounting Standards and Listing Regulations. The cash flow for the year is attached to the balance sheet. A separate statement containing the salient features of subsidiaries and joint ventures in the prescribed Form (AOC-1) is available on page no. 298.

Public Deposits

During the year, your Company has not accepted deposits from the public, and as such no principal or interest was outstanding as on March 31, 2024, as per the provisions of the Companies Act, 2013 and the Rules framed thereunder.

Particulars of Loans, Guarantees or Investments

The 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.

Pursuant to the provisions of Section 67(3)(c) of the Companies Act, 2013, and rules made thereunder, the Company has not given any loan to persons in the employment of the Company including its directors or key managerial personnel, in order to purchase or subscribe shares of the Company.



Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the regulators and courts, which would impact the going concern status of the Company.

The Insolvency And Bankruptcy Code, 2016

Your Board confirms that there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

There was no instance of one-time settlement with any bank or financial institution during the year under review.

Internal Audit

The internal audit at Thermax Group is carried out by the in-house Internal Audit Department with co-sourcing support. For scope determination, planning the audit and conducting reviews, the Internal Audit Department has been consistently following an audit cycle of July to June every year, which ensures review of transactions included in financial year April to March. The internal audit is risk based with a focus on controls for management of risks. The directors consider this approach to meet the desired purpose of Internal Audit.

Internal Financial Control Systems and their Adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis section, which is a part of this report.

Risk Management

The Board of Directors of the Company have formed a Risk Management Committee to assess the risks facing the business and the mitigation measures taken thereof. The committee is responsible for assisting the Board in understanding existing risks and reviewing the mitigation and elimination plans for those. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically bifurcated between the committees of the Board and addressed through mitigating actions on a continued basis.

Auditors

Statutory Auditors

M/s. SRBC & Co. LLP, Chartered Accountants, were appointed as the statutory auditors for a period of five years commencing from the 39th AGM until the conclusion of the 44th AGM.

In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018, by the Ministry of Corporate Affairs, the appointment of statutory auditors is not required to be ratified at every AGM.

As required under the Listing Regulations, M/s. SRBC & Co. LLP, the auditors have confirmed their eligibility and they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors are set out in the Corporate Governance Report.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

Cost Auditors

In terms of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, have been appointed as the cost auditors of the Company for FY 2023-24.

The maintenance of cost records as specified under Section 148 of the Act is applicable to the Company, and accordingly, all the cost records are made and maintained by the Company and audited by the cost auditors.

The Cost Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

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, Practising Company Secretaries, Pune, to undertake the secretarial audit of the Company for FY 2023-24. The Secretarial Audit Report for FY 2023-24 is attached as Annexure 5 on page no. 190

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

Annual Return

The Annual Return of the Company for the FY 2023-24 to be filed with Registrar of Companies is available on website of the Company at <https://www.thermaxglobal.com/annual-returns/>.

Since the Annual General Meeting is proposed to be held on August 1, 2024, the Company shall upload final copy of



the Annual Return for FY 2023-24, once the same is filed with the Registrar of Companies.

Disclosures as required under clause 5A of Para A of Part A of Schedule III of Listing Regulations are given in Corporate Governance Report attached as Annexure 1 to this Report.

Awards and Recognition

Your Company is proud to have received various awards during the year. Details of the awards received during the year are given on page no. 22.

Acknowledgements

Your directors place on record their appreciation for the continued support extended during the year by the

Company's customers, business associates, suppliers, bankers, investors and government authorities. They also place on record their appreciation for the dedication and value-added contribution made by all the employees.

Your directors would also like to thank all the shareholders for continuing to repose faith in the Company and its future.

For and on behalf of the Board,

Meher Pudumjee

Chairperson

(DIN: 00019581)

Pune, May 10, 2024



Annexure A to the Board's Report

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**A. Ratio of remuneration and details of percentage increase in the remuneration of each Director and KMPs in the financial year 2023-24 are as follows:**

| Name | DIN | Designation | Increase/ decrease (%) | Ratio of remuneration of Director to the Median remuneration for 2023-24 (MRE) |
|---|----------|--|------------------------------|---|
| Meher Pudumjee | 00019581 | Chairperson and Non-Executive Director | 1.45 | 5.61 |
| Pheroz Pudumjee | 00019602 | Non-Executive Director | -9.36 | 3.10 |
| Dr. Jairam Varadaraj | 00003361 | Independent Director | -1.02 | 2.91 |
| Nawshir Mirza | 00044816 | Independent Director | 1.63 | 5.00 |
| Harsh Mariwala | 00210342 | Independent Director | -3.34 | 2.89 |
| Dr. S. B. (Ravi) Pandit | 00075861 | Independent Director | 0.37 | 2.71 |
| Rajani Kesari | 02384170 | Independent Director | 11.58 | 2.89 |
| Dr. Ravi Gopinath | 00803847 | Independent Director | 112.24 | 3.12 |
| Shyamak R. Tata (Appointed w.e.f October 17, 2023) | 07297729 | Independent Director | NA* | NA* |
| Ashish Bhandari | 05291138 | Managing Director and CEO | 29.50 | 116.92 |
| Rajendran Arunchalam | NA | Group CFO | 22.88 | 21.88 |
| Janhavi Khele | NA | Company Secretary | 7.33 | 4.68 |

Note -

*The % increase of remuneration is provided only for those directors and KMP who have drawn remuneration from the Company for full fiscal 2024 and full fiscal 2023. The ratio of remuneration to MRE is provided only for those directors and KMP who have drawn remuneration from the Company for the full fiscal 2024.

The remuneration of all non-executive directors includes sitting fees paid.

The median remuneration of the Company for all its employees is 10,00,012 for the financial year 2023-24. For calculation of median remuneration, the employee count taken is 3,892 for FY 2023-24.

B. Percentage increase in the Median Remuneration of all employees in the financial year 2023-24

| | FY23-24 | FY22-23 | % Change |
|---|-----------|---------|----------|
| Percentage increase in the median remuneration of all employees | 1,000,012 | 890,014 | 12.36 |

c. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

| Particulars | Average percentage increase / (decrease) in salaries for FY 2024* (%) |
|-------------------------|--|
| Employees | 20.9 |
| Managerial remuneration | 29.5 |

*Remuneration considered is at actual basis

D. Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the directors, key managerial personnel and senior management is as per the Company's Policy on Nomination, Remuneration & Evaluation.

CORPORATE GOVERNANCE REPORT

1. Thermax's Philosophy on Corporate Governance

Thermax believes in following, in letter and spirit, high standards of corporate governance so as to have a positive impact on its stakeholders – customers, shareholders, employees, vendor partners and business associates, larger community and governments of countries where it operates. It upholds the core tenets of corporate governance for sustainable growth and financial performance. Your Company has been honoured with the prestigious Golden Peacock Award for Excellence in Corporate Governance – 2023 by the Institute of Directors, India, recognising its commitment to upholding the highest standards of integrity, transparency, and accountability. This accolade reaffirms its dedication to sound governance practices and reinforces its position as a leader in the industry.

In order to enhance and retain the trust of its stakeholders, your Company is committed to ethical business conduct, integrity and commitment to values, transparency and accountability which are essential features of effective corporate governance.

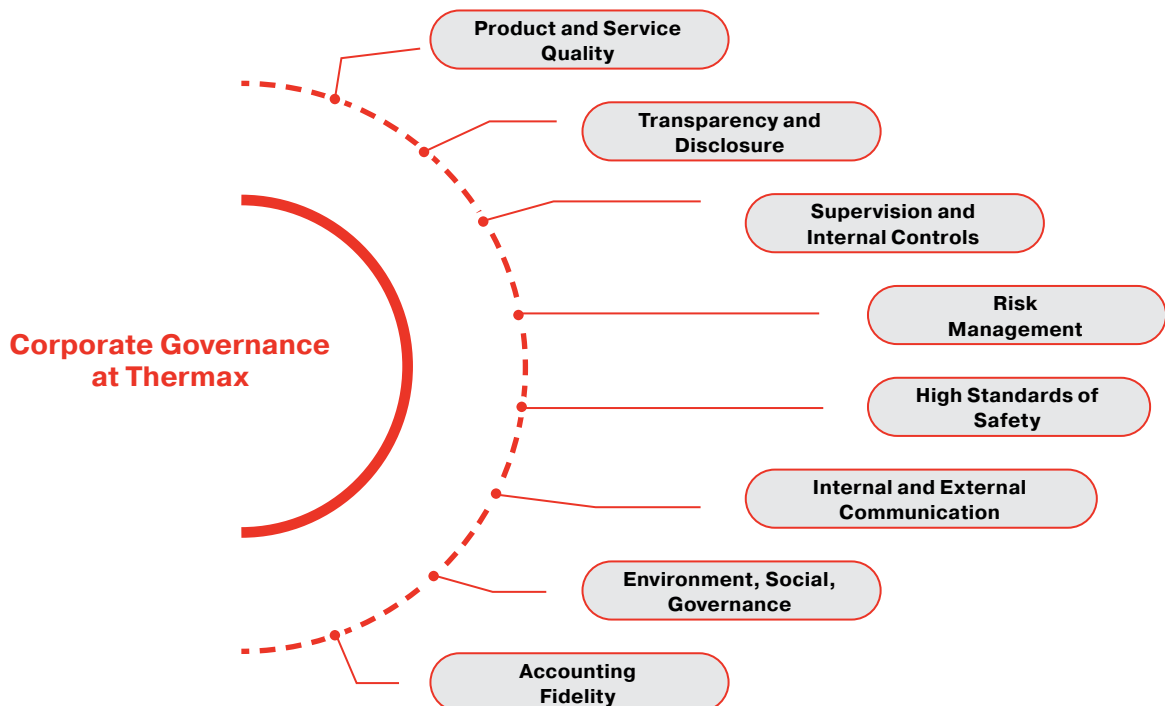
Empowered by the Board, your Company's key management officials implement policies and guidelines related to corporate governance. Our

corporate governance framework is guided by our core values and is based on the three elements of ESG (Environmental, Social and Governance) which are at the heart of what Thermax stands for. It has been practised for many years, and the Company will continue to strengthen itself as it becomes greener, embodies Social Compact and upholds our standards of governance in all that it does.

2. Board of Directors

A. Composition of the Board

The Company believes that its Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. The Board of your Company comprises 10 directors – one non-executive and non-independent chairperson, one non-executive and non-independent director, one executive director and seven non-executive independent directors (including one woman independent director). This is in conformity with the requirement of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board periodically evaluates the need for change in its size and composition.





None of the Directors on the Board holds directorships in more than 10 public companies or serves as a director or as independent director (ID) in more than seven listed entities. No executive director serves as an ID in more than three listed entities. Directors have disclosed Committee positions held in other public companies as on March 31, 2024.

The table below gives the composition of the Board and the directorships held by each of the directors of the Company at the end of FY 2023-24.

| Name of the Director | Pecuniary or Business Relationship with the Company | Number of Directorships [@] | Committee Position [#] | | Number of Shares held in the Company |
|--|---|--------------------------------------|---------------------------------|--------|--------------------------------------|
| | | | Chairperson | Member | |
| NON-EXECUTIVE DIRECTOR | | | | | |
| Meher Pudumjee (Chairperson related to Promoter) | None except** | 3 | 0 | 1 | - |
| Pheroz Pudumjee | None | 1 | 1 | 2 | 6,000 |
| INDEPENDENT | | | | | |
| Dr. Jairam Varadaraj | None | 6 | 0 | 2 | - |
| Nawshir Mirza | None | 2 | 2 | 2 | 189 |
| Harsh Mariwala | None | 5 | 0 | 1 | - |
| Dr. S. B. (Ravi) Pandit | None | 2 | 0 | 1 | - |
| Rajani Kesari | None | 2 | 0 | 2 | - |
| Dr. Ravi Gopinath | None | 1 | 0 | 0 | - |
| Shyamak R. Tata* | None | 6 | 4 | 6 | - |
| EXECUTIVE | | | | | |
| Ashish Bhandari | N.A. | 4 | 0 | 1 | - |

[@] Includes only listed companies (including Thermax Limited) and unlisted public companies

[#] Includes only Audit Committee and Stakeholders' Relationship Committee

* Shyamak R. Tata was appointed as Non-Executive Independent Director of the Company w.e.f. October 17, 2023.

**The Company has paid Rs. 74,77,100/- as rent (including electricity charges other incidental charges) for premises taken on lease and given security deposit of Rs. 53,00,000/- to Anu Aga (Promoter and relative of Meher Pudumjee, Chairperson of the Company).

B) Attendance and Remuneration of each Director during the Financial Year 2023-24

| Name of the Director | Whether attended last AGM held on August 1, 2023 | Total Attendance at Board Meetings | Sitting Fees* | Salary and Perquisites | Commission† | Total Remuneration |
|------------------------------|--|------------------------------------|---------------|------------------------|-------------|--------------------|
| (Amount in Rs.) | | | | | | |
| Meher Pudumjee | Yes | 7 | 10,10,000 | NA | 46,00,000 | 56,10,000 |
| Pheroz Pudumjee | Yes | 7 | 13,00,000 | NA | 18,00,000 | 31,00,000 |
| Dr. Jairam Varadaraj | Yes | 6 | 11,10,000 | NA | 18,00,000 | 29,10,000 |
| Nawshir Mirza | Yes | 7 | 12,00,000 | NA | 38,00,000 | 50,00,000 |
| Harsh Mariwala | Yes | 5 | 5,90,000 | NA | 23,00,000 | 28,90,000 |
| Dr. S. B. (Ravi) Pandit | Yes | 6 | 9,10,000 | NA | 18,00,000 | 27,10,000 |
| Rajani Kesari | Yes | 7 | 10,90,000 | NA | 18,00,000 | 28,90,000 |
| Shyamak R. Tata [#] | NA | 4 | 5,30,000 | NA | NA* | 5,30,000 |
| Dr. Ravi Gopinath | Yes | 7 | 8,20,000 | NA | 23,00,000 | 31,20,000 |
| Ashish Bhandari | Yes | 7 | NA | 66,970,701 | 49,950,000 | 116,920,701 |

NA = Not applicable

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

† Amount paid at actual basis is considered for commission.

[#] Shyamak R. Tata appointed as Non-Executive Independent Director w.e.f. October 17, 2023

The non-executive directors are entitled to reimbursement of expenses incurred in the performance of duties as directors.

As per the Employee Stock Option Scheme, 2021, the MD & CEO has been granted 21,080 stock options until March 31, 2024, against which 3,214 options have been vested. Each option is equal to one equity share of the Company and the options are to be exercised within a period of five years from the date of vesting. The exercise price is Rs. 15.25/-. As on March 31, 2024, the MD & CEO has not exercised any options.

Further, details as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are made available on website of the Company at <https://www.thermaxglobal.com/thermax-disclosures-under-sebi-sbeb-regulations/>

C) Number of Meetings of the Board held during the Year and the Dates of Meetings

The Board met seven times during the FY 2023-24 on the following dates:

| Members | Board Meetings | | | | | | |
|-------------------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|
| | May 17, 2023 | August 1, 2023 | October 17, 2023 | November 3, 2023 | January 25, 2024 | February 8, 2024 | February 9, 2024 |
| Meher Pudumjee | P | P | P | P | P | P | P |
| Pheroz Pudumjee | P | P | P | P | P | P | P |
| Dr. Jairam Varadaraj | P | P | P | P | A | P | P |
| Nawshir Mirza | P | P | P | P | P | P | P |
| Harsh Mariwala | P | P | A | P | A | P | P |
| Dr. S. B. (Ravi) Pandit | A | P | P | P | P | P | P |
| Rajani Kesari | P | P | P | P | P | P | P |
| Shyamak R. Tata* | NA | NA | NA | P | P | P | P |
| Dr. Ravi Gopinath | P | P | P | P | P | P | P |
| Ashish Bhandari | P | P | P | P | P | P | P |

*Shyamak R. Tata was appointed as Non-Executive Independent Director of the Company w.e.f. October 17, 2023.

The maximum time gap between any two sequential meetings was not more than 120 days.

D) Confirmation and Certification from Practising Company Secretary

On an annual basis, the Company obtains from each director, details of the Board and Board Committee positions in other companies, and changes, if any, regarding their directorships. The Company has obtained a certificate from M/s. SVD & Associates, Practising Company Secretaries, Pune, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report. Please refer to page no. 142 of this Report for the certificate.

The Company has also obtained certificate from M/s. SVD & Associates, Practising Company Secretaries, Pune, confirming compliance of conditions of Corporate Governance. Please refer to page no. 143 of this Report for the certificate.

E) Details of Directorships held in Listed Entities as on March 31, 2024

| Sr. No. | Name of Director | Name of Listed Entity | Category |
|---------|----------------------|--------------------------------|--------------------------------------|
| 1. | Meher Pudumjee | Thermax Limited | Chairperson & Non-Executive Director |
| | | Pidilite Industries Limited | Independent Director |
| 2. | Pheroz Pudumjee | Thermax Limited | Non-Executive Director |
| 3. | Ashish Bhandari | Thermax Limited | Managing Director & CEO |
| 4. | Nawshir Mirza | Thermax Limited | Independent Director |
| 5. | Dr. Jairam Varadaraj | Elgi Equipments Limited | Managing Director |
| | | Magna Electro Castings Limited | Independent Director |
| | | Elgi Rubber Company Limited | Non-Executive Director |
| | | Thermax Limited | Independent Director |



| Sr. No. | Name of Director | Name of Listed Entity | Category |
|---------|------------------------|-----------------------------|--------------------------------------|
| 6. | Harsh Mariwala | Marico Limited | Chairman & Non-Executive Director |
| | | Kaya Limited | Chairman & Managing Director |
| | | Zensar Technologies Limited | Independent Director |
| | | Thermax Limited | Independent Director |
| 7. | Dr. S.B. (Ravi) Pandit | KPIT Technologies Limited | Chairperson & Non-Executive Director |
| | | Thermax Limited | Independent Director |
| 8. | Rajani Kesari | Thermax Limited | Independent Director |
| 9. | Dr. Ravi Gopinath | Thermax Limited | Independent Director |
| 10. | Shyamak R. Tata | Thermax Limited | Independent Director |
| | | Siemens Limited | Independent Director |
| | | Hawkins Cookers Limited | Independent Director |

F) Disclosure of the Relationship between Directors inter se

None of the Directors other than Meher Pudumjee and Pheroz Pudumjee are related to each other.

G) Disclosure of Interest by Senior Management

In terms of regulation 26(5) of the Listing Regulations, the senior management of the Company have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

H) Resignation of Independent Director(s)

During the year under review, none of the independent directors of the Company have resigned before the expiry of their respective term(s).

I) Familiarisation Programme Imparted to Independent Directors

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

- To apprise the directors about the business model, corporate strategy, nature of the 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 the Company's vision, values, ethics, and corporate governance practices

The independent directors are provided with necessary documents, business model, annual budgets, investment and exposure limits, compliance report(s) of all laws applicable to your Company, significant developments, reports and internal policies to enable them to familiarise themselves with the Company's businesses, procedures and practices.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments are made at the Board retreat. The details of such familiarisation programme for independent directors are available on the Company's website and can be accessed at: <https://www.thermaxglobal.com/wp-content/uploads/2024/05/Familiarisation-Programme-2023-24.pdf>

J) Board Independence

Our definition of 'independence' of directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations. The independent directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the directors and on evaluation of the relationships disclosed, the Board confirms that the independent directors fulfil the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.

All independent directors have confirmed that they have obtained registration certificate pursuant to provisions of Section 150(3) of the Companies Act, 2013, read with Rule 6 of the Companies (Appointment and Qualification of Directors)

Amendment Rules, 2020 from the Indian Institute of Corporate Affairs.

K) Independent Directors' Meeting

In compliance with regulation 25(3) of Listing Regulations, during the year under review, the Independent Directors met on February 10, 2024, inter alia to review the performance of the Board, the Chairperson and Non-Independent Directors of the Company. They also reviewed the quality, quantity, timelines and flow of information between the management and the Board.

L) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, annual evaluation of performance of the Board, its Committees and individual Directors was carried out through an external agency. Recommendations arising from this entire process were deliberated upon by the Board to be used constructively in order to enhance its overall effectiveness.

M) Board Support/ Assistance

The Board is regularly provided information with respect to strategic, operational, finance and environmental, social and governance (ESG) related matters. With a view to leverage technology and

reduce paper consumption, the Company has adopted a web-based application for circulating Board/ Committee agenda and pre-reads to its directors. The Directors of the Company receive the agenda and pre-reads in electronic form through this application, which can be accessed through browsers or other electronic devices. The application meets high standards of security and integrity that are required for storage and transmission of Board/ Committee agenda and pre-reads in electronic form.

N) Core Skills/Expertise/Competencies Available with the Board

The Board ensures that the expertise, knowledge, experience and competencies needed to effectively steer the Company are represented on the Board. The approach for selection and appointment of directors on the Board ensures that their specific skills, knowledge and experience fulfill a particular skill – set requirement of the Board. It is acknowledged that not all directors will have every necessary skill, but the Board as a whole must have them, as also that the expertise, knowledge and experience required for the Board will change as the organisation evolves and grows. The Company's aim has always been for an all-inclusive and sustainable growth while addressing the environmental, social, and governance (ESG) aspects.

In terms of requirement of Listing Regulations, the Board has identified the following core skills/expertise/competencies of the directors in the context of the Company's business for effective functioning as given below:

| Key Board Qualifications / Skills / Expertise | | | | | | | | | |
|---|--------------------|------------|-----------------------------------|---------------------|------------------|------------------------|--|-------------------|------------|
| Director | Industry Knowledge | Leadership | Expertise & Experience in Finance | Strategy & Planning | Board Governance | Mergers & Acquisitions | Exposure in Policy Shaping and Industry Advocacy | Sales & Marketing | Technology |
| Meher Pudumjee | ✓ | ✓ | - | ✓ | ✓ | - | - | - | - |
| Pheroze Pudumjee | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | ✓ | ✓ |
| Ashish Bhandari | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Harsh Mariwala | - | ✓ | ✓ | ✓ | ✓ | ✓ | - | ✓ | - |
| Nawshir Mirza | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - |
| Dr. S.B. (Ravi) Pandit | - | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | ✓ |
| Dr. Jairam Varadaraj | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Rajani Kesari | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | ✓ |
| Shyamak R. Tata | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | ✓ |
| Dr. Ravi Gopinath | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



3. Board Committees

In compliance with the Companies Act, 2013, and Listing Regulations, the Board has constituted five mandatory and one non-mandatory committee. The members of the committees are co-opted by the Board. The Board formulates the terms of reference and charter of the committees as per the relevant statutory provisions for effective functioning of these committees. The minutes of the meetings of all committees are placed before the Board for noting.

The composition of the Board Committees as on March 31, 2024 is as under:



A. Audit Committee

The Audit Committee ("the Committee") comprises of four independent directors and one non-executive director as on March 31, 2024:

1. Nawshir Mirza - Chairman
2. Pheroz Pudumjee

3. Dr. Jairam Varadaraj
4. Rajani Kesari
5. Shyamak R. Tata (w.e.f. October 17, 2023)

The Committee was reconstituted on October 17, 2023 and Shyamak R. Tata, Non-Executive Independent Director of the Company was inducted as a member of the Committee.

The Committee met seven times during the FY 2023-24 and the gap between any two meetings did not exceed 120 days.

Attendance details of the Committee are as follows:

| Name of the Member | Audit Committee Meetings | | | | | | | Held during the year | Attended | % of Attendance |
|---|--------------------------|--------------|---------------|----------------|-------------------|------------------|------------------|----------------------|----------|-----------------|
| | Committee Meeting Dates | | | | | | | | | |
| | April 10, 2023 | May 16, 2023 | July 31, 2023 | August 1, 2023 | September 6, 2023 | November 2, 2023 | February 7, 2024 | | | |
| Nawshir Mirza | P | P | P | P | P | P | P | 7 | 7 | 100% |
| Pheroze Pudumjee | P | P | P | P | P | P | P | 7 | 7 | 100% |
| Dr. Jairam Varadaraj | A | P | P | P | P | P | P | 7 | 6 | 86% |
| Rajani Kesari | P | P | P | P | P | A | P | 7 | 6 | 86% |
| Shyamak R. Tata (w.e.f October 17, 2023) | NA | NA | NA | NA | NA | P | P | 7 | 2 | 100% |

The constitution of the committee meets the requirements of Section 177 of the Companies Act, 2013, and Regulation 18 of the Listing Regulations. All members of the Committee are financially literate and have financial management expertise.

The Chairman of the Committee was present at the 42nd Annual General Meeting of the Company held on August 1, 2023. The Committee reviews various aspects of internal controls, internal auditors' reports on a regular basis. The Committee also reviews information as per Regulation 18 of the Listing Regulations.

The internal auditor presents to the Committee, observations and recommendations arising out of internal audits and also on issues having an impact on the control system and compliance.

The chief financial officer, chief internal auditor and the representatives of the statutory auditors are permanent invitees and attend all the meetings of the Committee. The company secretary acts as the secretary to the Committee.

The Board has approved the charter of the Audit Committee defining its role, responsibilities, powers and processes as amended pursuant to the Listing Regulations. The Board at its meeting held on August 1, 2023, amended the charter of the Audit Committee.

The terms of reference are available on the Company's website: <https://www.thermaxglobal.com/wp-content/uploads/2024/04/BoardCommitteesComposition.pdf>

The charter of the Committee is available on the Company's website: <https://www.thermaxglobal.com/wp-content/uploads/2023/08/Audit-Committee-Charter.pdf>

The broad terms of reference include:

- Overseeing the processes that ensure the integrity of financial statements

- Overseeing the processes for compliance with laws and regulations to ensure their effectiveness
- Approving transactions with related parties
- Enquiring into reasons for any default by the Company in honouring its obligations to its creditors and members
- Overseeing the quality of internal accounting and other controls
- Overseeing the quality of financial reporting process, including the selection of accounting policies
- Recommending to the Board the appointment, remuneration of auditors of the Company and monitoring their independence, performance and effectiveness of audit process
- Scrutinising inter-corporate loans and investments
- Monitoring the end use of funds raised through public offers, if any, or by way of any other issue
- Conducting the valuation of any undertaking or asset of the Company



- Structure the internal audit function, approve the appointment of the chief internal auditor
- Bringing to the notice of the Board any lacunae in the code of conduct
- Reviewing with the CEO and the CFO of the Company the underlying process followed by them in their annual certification to the Board
- Approving the appointment of the CFO
- Recommending to the Board the appointment and remuneration of the secretarial and cost auditors
- Reviewing the utilisation of loans and/or advances from/investment by the holding Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances/investments
- Reviewing compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 including any amendments thereof.
- Verifying that the internal control system to prevent insider trading is adequate and operating effectively
- Review various risks identified as part of the risk register of the Company, which are within the scope of the Committee
- Review and comment on rationale, cost-benefits and impact of schemes involving merger,

Attendance details of the Committee are as follows:

| Nomination & Remuneration Committee Meetings | | | | | | |
|--|-------------------------|------------------|----------------|----------------------|----------|-----------------|
| Name of the Member | Committee Meeting Dates | | | Held during the year | Attended | % of Attendance |
| | May 9, 2023 | October 25, 2023 | March 14, 2024 | | | |
| Harsh Mariwala | P | P | P | 3 | 3 | 100% |
| Dr. Jairam Varadaraj | A | P | A | 3 | 1 | 33% |
| Dr. S.B. (Ravi) Pandit | P | P | P | 3 | 3 | 100% |
| Meher Pudumjee | P | P | P | 3 | 3 | 100% |

The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The chairman of the Committee was present at the 42nd Annual General Meeting held on August 1, 2023.

The Committee oversees key processes through which the Company recruits new members to its Board and the processes through which the Company recruits, motivates and retains outstanding senior management as well as the Company's overall approach to human resources management.

demerger, amalgamation etc., on the listed entity and its shareholders.

- Carrying out any other role or function as mentioned in the Charter of the Audit Committee and as prescribed under the Companies Act, 2013, the SEBI (Listing Obligation and Disclosure Requirements), 2015 including any amendments thereof.

In addition, the powers and role of the Audit Committee are as laid down under Section 177 of the Act and Regulation 18 read with Schedule II Part C of the Listing Regulations.

B. Nomination & Remuneration Committee

The Nomination and Remuneration Committee ("the Committee") comprises of three independent directors and one non-executive director as on March 31, 2024:

1. Harsh Mariwala - Chairman
2. Dr. Jairam Varadaraj
3. Dr. S.B. (Ravi) Pandit
4. Meher Pudumjee

The Committee met three times during the Financial Year 2023-24.

The Board at its meeting held on May 17, 2023, amended the terms of reference of the Committee. The broad terms of reference of the Committee are:

- Evaluate the performance, including the extension of contracts 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 of senior management (one level below the EDs), including their employment extensions
- 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 NEDs and define the system for linking it to their remuneration
- Review the 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 the annual compensation of the organisation, including a benchmarking with other companies
- Ensure periodic meetings of the senior management with the directors
- Initiate 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
- Formulate policies and framework related to human resources, including diversity and Environment Social Governance (ESG)
- Responsible for all human resources – white and blue collar
- Review various risks identified as part of the risk register of Company, which are within the scope of the Committee
- Administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes under the plans and applicable laws

- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable

- **Non-Executive Directors**

In recognition of the contribution by the NEDs, especially in adherence to the corporate governance policies and practices, the Board had adopted guidelines to remunerate the directors by way of commission.

The Committee 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, which forms the basis for the remuneration of directors for the FY 2023-24. The policy broadly consists of:

- Criteria for selection and appointment of directors and their remuneration
- 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 Policy on Selection and Appointment of Directors and their Remuneration as approved by the Board is available on the Company's website at: <https://www.thermaxglobal.com/wp-content/uploads/2020/03/Policy-on-Selection-and-Appointment-of-Directors-and-their-Remuneration.pdf>

The Committee may recommend payment of commission on a 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 taken by them.

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

Based on the above and the recommendation of the Committee, the Board has approved the payment of remuneration to the Directors.

- **Managing Director & CEO**

The Company's Board at present comprises one Executive Director, Ashish Bhandari, who was



appointed as Managing Director & CEO effective September 1, 2020, for a period of five years. His remuneration is governed by the original agreement with the Company dated February 4, 2020, and amended during the financial year 2022-23. The shareholders of the Company had provided approval to revise the overall managerial remuneration of Ashish Bhandari effective from July 1, 2022, upto his remaining tenure i.e. August 31, 2025. The remuneration broadly comprises fixed and variable components, i.e. salary, allowances, perquisites and other benefits. The variable component comprises a performance bonus. As per the terms of Agreement, notice period is of three months and there is no compensation for loss of office. The 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, the following factors are considered:

a) The clarity of the relationship between remuneration and performance

- 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) Responsibilities required to be shouldered by the Managing Director & CEO as per industry benchmarks and current trends
- d) Performance of the Company vis-à-vis the annual budget and individual performance vis-à-vis the KRAs / KPIs

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ("the Committee") comprises one independent director and two non-executive directors and an executive director as members as on March 31, 2024:

1. Pheroz Pudumjee - Chairman
2. Meher Pudumjee
3. Ashish Bhandari
4. Dr. S.B. (Ravi) Pandit

The Committee met four times during the FY 2023-24. Attendance details of the Committee are as follows:

| Stakeholders' Relationship Committee Meetings | | | | | | | |
|---|-------------------------|---------------|------------------|------------------|----------------------|----------|-----------------|
| Name of the Member | Committee Meeting Dates | | | | Held during the year | Attended | % of Attendance |
| | May 12, 2023 | July 31, 2023 | October 25, 2023 | January 25, 2024 | | | |
| Pheroz Pudumjee | P | P | P | P | 4 | 4 | 100% |
| Meher Pudumjee | P | P | P | P | 4 | 4 | 100% |
| Ashish Bhandari | P | P | P | P | 4 | 4 | 100% |
| Dr. S.B. (Ravi) Pandit | P | P | P | P | 4 | 4 | 100% |

The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013, and Regulation 20 of the Listing Regulations.

The Chairman of the Committee was present at the 42nd Annual General Meeting held on August 1, 2023.

The broad terms of reference of the Committee are:

- To approve and register transfer and/or transmission of shares
- To approve dematerialisation and rematerialisation of the Company's shares
- To affix or authorise affixing of the common seal of the Company on the share certificates

- To look into the shareholders/investors/debenture holders/security holders grievances and redress them
- To review measures taken for effective exercise of voting rights by shareholders
- To review adherence to the service standards adopted by the listed entity with respect to various services being rendered by the registrar and share transfer agent
- To review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers

The Committee reviews the performance of KFin Technologies 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.

Summary of Complaints during FY 2023-24

| Nature | Opening Balance | Received | Resolved | Closing Balance |
|--|-----------------|------------|------------|-----------------|
| Non-receipt of dividend | Nil | Nil | Nil | Nil |
| Non-receipt of share certificate after transfer/consolidation/transmission exchange/split/merger | Nil | Nil | Nil | Nil |
| Letters from statutory authorities | Nil | Nil | Nil | Nil |
| Total | Nil | Nil | Nil | Nil |

Shares Transferred to IEPF

In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013, and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF rules), dividends not encashed/claimed within seven years from the date of declaration are to be transferred along with relevant shares, to the Investor Education and Protection Fund (IEPF) authority.

Members can claim such transferred dividend/shares from the IEPF authority.

In accordance with the IEPF rules and its amendments, the Company has sent notices to all the shareholders whose shares were due to be transferred to IEPF authority. Simultaneously, an advertisement was published in the newspapers.

In terms of the provisions of IEPF Rules a total of 4,289 shares of 27 shareholders of the Company were transferred on September 28, 2023 to the IEPF.

Compliance Officer / Contact Details

Janhavi Khele

Company Secretary and Compliance Officer

Thermax Limited

Thermax House, 14 Mumbai-Pune Road, Wakdevadi, Pune 411003

Email: Cservice@thermaxglobal.com

Phone No: (020) 66051200

Purpose of the Committee

The Board has empowered the Stakeholder Relationship Committee to assist the Board and the Company to oversee various aspects of interests of Stakeholders. The Committee oversees various activities related to share transmission, transposition, dematerialisation, dividend payments and all other investor-related activities.

Further, the Stakeholder Relationship Committee has delegated powers to the director(s) / officials of the Company to deal with the investor service requests received by the Company or its RTA.

D. Corporate Social Responsibility (CSR) Committee

The CSR Committee ("the Committee") comprises of two independent directors and a non-executive director as members as on March 31, 2024:

1. Meher Pudumjee - Chairperson
2. Nawshir Mirza
3. Dr. S.B. (Ravi) Pandit

The Committee met twice during the FY 2023-24 on April 11, 2023, and October 4, 2023, where all the members were present at the meeting.

The Chairman of the Committee was present at the 42nd Annual General Meeting held on 1st August, 2023.

The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013.

The Board of the Company at its meeting held on May 17, 2023 amended the CSR Policy and the terms of reference of the Committee. The broad terms of reference of this Committee are:

- Formulate and recommend a CSR policy to the Board
- Recommend the amount of expenditure to be incurred on different CSR activities
- Institute a transparent monitoring mechanism for the implementation of CSR projects or programmes or activities undertaken by the Company



- Review the CSR policy of the Company every year

E. Risk Management Committee

The Risk Management Committee (“the Committee”) comprises of four independent directors and a non-executive director as on March 31, 2024:

1. Nawshir Mirza - Chairman
2. Pheroz Pudumjee

3. Dr. Jairam Varadaraj
4. Rajani Kesari
5. Shyamak R. Tata (w.e.f. October 17, 2023)

The Committee was reconstituted by the Board at its meeting held on October 17, 2023, and Shyamak R. Tata was inducted as a member of the Committee.

The Committee met three times during the financial year 2023-24. The gap between two meetings did not exceed 180 days.

Attendance details of the Committee are as follows:

| Risk Management Committee Meeting | | | | | | | |
|-----------------------------------|-------------------------|-------------------|-------------------|----------------------|----------|-----------------|--|
| Name of the Member | Committee Meeting Dates | | | Held during the year | Attended | % of Attendance | |
| | April 11, 2023 | September 6, 2023 | February 27, 2024 | | | | |
| Nawshir Mirza | P | P | P | 3 | 3 | 100% | |
| Pheroz Pudumjee | P | P | P | 3 | 3 | 100% | |
| Dr. Jairam Varadaraj | A | P | P | 3 | 2 | 67% | |
| Rajani Kesari | P | P | P | 3 | 3 | 100% | |
| Shyamak R. Tata | NA | NA | P | 3 | 1 | 100% | |

The constitution of the Committee meets the requirements of Regulation 21 of the Listing Regulations.

The Chairman of the Committee was present at the 42nd Annual General Meeting held on August 1, 2023.

The purpose of the Risk Management Committee is to assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks. The risk management committee has the overall responsibility of monitoring and approving the risk policies and associated practices of the Company.

The Board at its meeting held on November 3, 2023, has amended the Risk Management Policy. The revised Policy is available on the website of the Company at <https://www.thermaxglobal.com/wp-content/uploads/2023/12/Thermax-ERM-Policy-Revised-Oct-23-Final.pdf>

Additionally, the Board has also approved the charter for Risk Management Committee available on the website of the Company at <https://www.thermaxglobal.com/wp-content/uploads/2022/09/Risk-Management-Committee-Charter.pdf>

The detailed terms of reference of the Risk Management Committee are as below:

- To assess the risks facing the business and the mitigation measures taken thereof

- To identify developments in the environment or in internal operating processes that could materially affect the profile of risks
- To assist the Board in identifying existential risks and reviewing the mitigation and elimination plans for those
- To assess and examine the status of cyber security of the Company
- To report annually to the Board on its working
- Recommend to the Board policy for hedging commodity risk

F. Strategic Business Development Committee

The primary objective of the Strategic Business Development Committee (“the Committee”) of the Board is to review and guide the strategic initiatives of the Company.

The Committee comprises of three independent directors, two non-executive directors and an executive director as on March 31, 2024:

1. Dr. Ravi Gopinath- Chairman
2. Pheroz Pudumjee
3. Meher Pudumjee
4. Dr. Jairam Varadaraj
5. Ashish Bhandari
6. Dr. S.B. (Ravi) Pandit

Attendance details of the Committee are as follows:

| Strategic Business Development Committee Meetings | | | | | | | | |
|---|-------------------------|---------------|------------------|----------------|----------------------|----------|-----------------|--|
| Name of the Member | Committee Meeting Dates | | | | Held during the year | Attended | % of Attendance | |
| | May 16, 2023 | July 31, 2023 | November 2, 2023 | March 19, 2024 | | | | |
| Dr. Ravi Gopinath | P | P | P | P | 4 | 4 | 100% | |
| Pheroze Pudumjee | P | P | P | P | 4 | 4 | 100% | |
| Meher Pudumjee | P | P | P | P | 4 | 4 | 100% | |
| Dr. Jairam Varadaraj | P | P | P | P | 4 | 4 | 100% | |
| Ashish Bhandari | P | P | P | P | 4 | 4 | 100% | |
| Dr. S.B. (Ravi) Pandit | P | P | P | P | 4 | 4 | 100% | |

The broad terms of reference of the Committee are:

- Review and recommend corporate strategy, including corporate brand and M&A
- Selectively review and direct SBU, subsidiary and JV level strategies as well as selective SBU plans and business initiatives
- Initiate and impart guidance on best practices across the Board e.g. manufacturing, new markets, branding, etc.
- Review the key strategic performance indicators and milestones established by the Company
- Review various risks identified as part of risk register of Company, which are within the scope of the Committee

The results were announced on January 8, 2024. Sridhar Mudaliar (Membership No. F6156, COP: 2664), Partner of M/s. SVD & Associates, Company Secretaries, Pune were appointed as the Scrutiniser for conducting the postal ballot and e-voting process held by voting through electronic means (remote e-voting) in a fair and transparent manner

| Description of the Resolution | | Appointment of Shyamak R. Tata (DIN: 07297729) as a Non-Executive Independent Director of the Company |
|-----------------------------------|---|---|
| Votes in favour of the resolution | Number of members voted | 352 |
| | Number of valid votes cast (shares) | 10,35,27,682 |
| | Percentage of total number of valid votes cast | 99.99% |
| Votes against the resolution | Number of members voted | 6 |
| | Number of valid votes cast (shares) | 7,253 |
| | Percentage of total number of valid votes cast | 0.007% |
| Invalid votes | Total number of members whose votes were declared invalid | 16 |
| | Total number of invalid votes cast | 17,22,808 |
| | Percentage of total number of invalid votes cast | 1.66% |

4. Annual General Meeting

A. The details of the last three Annual General Meetings (AGMs) of the Company are as follows:

| Financial Year | Date | Time | Venue |
|--------------------------------|----------------|-----------|---------------------------------|
| 2020-21 (40 th AGM) | August 6, 2021 | 4:00 p.m. | Corporate office of the Company |
| 2021-22 (41 st AGM) | August 2, 2022 | 4:00 p.m. | through video conferencing |
| 2022-23 (42 nd AGM) | August 1, 2023 | 4.00 p.m. | / other audio visual means |

B. Postal Ballot

During FY 2023-24, the Company had sought the approval of the shareholders by way of a special resolution through notice of postal ballot dated October 17, 2023, for:

1. Appointment of Shyamak R. Tata (DIN: 07297729) as a Non-Executive Independent Director of the Company

Procedure for Postal Ballot:

The Company carries out postal ballot as per the provisions of Section 110 of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration)



Rules, 2014, and other applicable rules read with relevant circulars issued by the Ministry of Corporate Affairs and circulars issued by the SEBI and applicable provisions of Listing Regulations.

No special resolution is proposed to be conducted through postal ballot as on the date of this report.

C. Special Resolution(s) Passed

The details of special resolution/s passed during the last three Annual General Meetings are as under:

| Date of Annual General Meeting | Details of Special Resolution |
|--------------------------------|---|
| August 12, 2020 | Re-appointment of Harsh Mariwala (DIN: 00210342) as an Independent Director |
| August 2, 2022 | <p>a. Appointment of Dr. Ravi Shankar Gopinath (DIN: 00803847) as an Independent Director</p> <p>b. Re-appointment of Dr. Shashishekhar Balkrishna Pandit (DIN: 00075861) as an Independent Director</p> <p>c. To make amendments to the trust deeds of all the employee welfare trusts</p> |
| August 1, 2023 | Re-appointment of Rajani Kesari (DIN: 02384170), as Non-Executive Independent Director |

5. Means of Communication

- The Company publishes the quarterly and yearly financial results in prominent English and regional language newspapers. The same are also displayed on its website.
- The Company's corporate website: <https://www.thermaxglobal.com/about-us/> provides comprehensive information regarding the Company's business portfolio, including CSR activities. The quarterly and yearly financial results are available in downloadable format for investors' convenience on the Company's website. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form at <https://www.thermaxglobal.com/annual-reports/>

- Transcripts and audio/video recordings of analyst meets are available on the Company's website: <https://www.thermaxglobal.com/analyst-conference-calls/>
- The official news releases are published in one English newspaper (usually Financial Express) and in one vernacular newspaper (usually Loksatta in Marathi) as per the relevant statutory requirements. Press releases are submitted to the stock exchanges and hosted on the Company's website: <https://www.thermaxglobal.com/stock-exchange-notifications/>
- Presentations made to the institutional investors / analysts after the declaration of the financial results are submitted to the stock exchanges where Company's securities are listed, and the same are also available on the Company's website: <https://www.thermaxglobal.com/investor-presentations/>

6. Shareholder Information

A. 43rd Annual General Meeting for FY 2023-24

| | |
|---------------|---------------------------------------|
| Date and time | Thursday, August 1, 2024 at 4:00 p.m. |
| Venue | Through video conferencing |

B. Financial Year of the Company

The financial year covers the period from April 1 to March 31.

C. Financial Calendar

The financial results for FY 2023-24 were announced on:

| Financial Results | As Indicated | Actual Date |
|------------------------------|-----------------------|------------------|
| Quarter ended June 2023 | August 1, 2023 | August 1, 2023 |
| Quarter ended September 2023 | November 3, 2023 | November 3, 2023 |
| Quarter ended December 2023 | February 8 - 10, 2024 | February 8, 2024 |
| Year ended March 2024 | May 10, 2024 | May 10, 2024 |

For FY 2024-25, the indicative announcement dates are:

| | |
|---|--|
| Results for the quarter ended June 2024 | August 1, 2024 |
| Results for the quarter ended September 2024 | November 13, 2024 |
| Results for the quarter ended December 2024 | February 5 - 7, 2025 |
| Results for the year ended March 2025 | May 9, 2025 |
| Record date for payment of dividend subject to approval of shareholders | July 5, 2024 |
| Dividend payment date | August 5, 2024 |
| Dividend announcement | The Board has recommended a dividend of Rs. 12/- per share on the equity shares of the face value of Rs. 2/-, for the year ended March 31, 2024, subject to approval of members at the ensuing 43 rd Annual General Meeting |

| Listing on Stock Exchanges | Stock Code |
|--|-----------------------|
| National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 | THERMAX |
| BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 | 500411 |
| International Security Identification No. for Equity Shares (ISIN) in NSDL and CDSL | INE152A01029 |
| Corporate Identity No. (CIN) | L29299PN1980PLC022787 |

The Company has paid listing fees to BSE and NSE and custodial fees to Central Depositories Services (India) Limited and National Securities Depository Limited for financial year 2024-25 on the basis of number of beneficial accounts maintained by them, as on March 31, 2024.

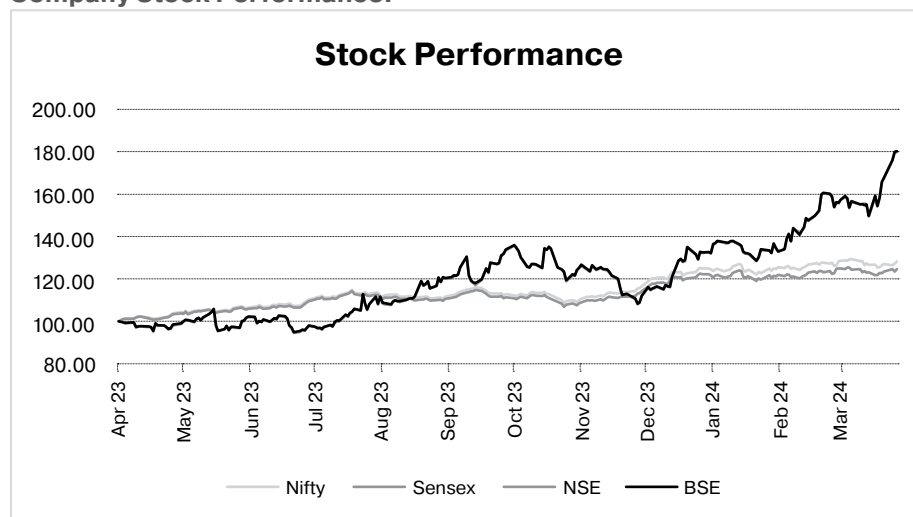
D. Stock Data

(Amount in Rs. per share)

| Month | MKT QUOTE – NSE | | MKT QUOTE – BSE | |
|----------------|-----------------|----------|-----------------|----------|
| | High | Low | High | Low |
| April 2023 | 2,385.00 | 2,212.00 | 2,380.95 | 2,178.00 |
| May 2023 | 2,560.00 | 2,196.05 | 2,550.85 | 2,192.70 |
| June 2023 | 2,424.50 | 2,191.85 | 2,422.60 | 2,193.10 |
| July 2023 | 2,728.50 | 2,231.85 | 2,727.05 | 2,196.30 |
| August 2023 | 2,848.15 | 2,450.05 | 2,842.30 | 2,478.55 |
| September 2023 | 3,176.95 | 2,702.15 | 3,175.00 | 2,712.00 |
| October 2023 | 3,230.00 | 2,755.30 | 3,227.85 | 2,760.00 |
| November 2023 | 3,025.00 | 2,500.25 | 3,025.00 | 2,500.00 |
| December 2023 | 3,167.80 | 2,559.00 | 3,166.00 | 2,548.80 |
| January 2024 | 3,268.00 | 2,977.00 | 3,266.90 | 2,979.20 |
| February 2024 | 3,894.95 | 3,049.55 | 3,890.00 | 3,050.00 |
| March 2024 | 4,288.65 | 3,408.95 | 4,288.00 | 3,411.00 |



Company Stock Performance:



Note: The Company's share price and indices have been indexed to 100 as on the first working day of FY 2023-24 i.e. from April 3, 2023

E. Registrar and Share Transfer Agent

KFin Technologies Limited
Selenium Tower B,
Plot No. 31 & 32, Gachibowli, Financial District,
Nanakramguda,
Serilingampally, Hyderabad - 500 032.
Tel: 040-67162222 / 79611000
WhatsApp Number: (91) 9100094099
Fax: 040-23001153
Toll free: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

F. Share Transfer System

The SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialise their shares. Shareholders holding shares in dematerialised mode have been requested to register their email address, bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish their email address, bank account details and mobile number with the Company's RTA, at einward.ris@kfintech.com. Updating all the relevant information will enable shareholders to receive dividends and communications on time.

Further, the SEBI has now made it mandatory for listed companies to issue securities in

demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities.

G. Mandatory Furnishing of PAN, KYC Details and Nomination by Holders of Physical Securities

SEBI vide its circular dated March 16, 2023, has made mandatory for all holders of physical shares to furnish / update the PAN, nomination, contact details, bank account details and specimen signature with the Company's RTA i.e. M/s KFin Technologies Limited.

The SEBI, vide the aforesaid circular, also specified the formats for physical shareholders for raising the requests, with regard to registration or changes / updation of PAN, KYC, nomination and for banker's attestation in the event of a major mismatch in the signature of the shareholder. All the formats are available on the Company's website i.e. <https://www.thermaxglobal.com/download-forms/>

The shareholders are requested to please note that:

- Any service request will be entertained by the Company's RTA only upon registration / updation of PAN, KYC, and nomination details.

- b) Company has sent reminders to those shareholders whose KYC details were not available.
- c) SEBI has also vide its circular dated July 23, 2021, has mandated submission of choice of nomination i.e. either furnishing of nomination or declaration for opting out of nomination for all existing trading and demat account holders and for all new accounts at the time of opening from October 1, 2021. The timeline for submission of choice of nomination has been extended to June 30, 2024.

Hence, all the physical shareholders are requested to update PAN, KYC details, and nomination with the Company's RTA. Shareholders holding shares in dematerialised mode are requested to provide these details to their depository participants.

H. Address for Correspondence

Investors should address their correspondence to the Company's Registrar and Transfer Agent, KFin Technologies Limited, whose address has been provided at (E) above.

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: cservice@thermaxglobal.com

I. SEBI Investors website

The Securities and Exchange Board of India has launched its new website at <https://investor.sebi.gov.in/> for creating investment awareness amongst existing and new investors. The said website contains information on personal finance and investment. It also includes videos prepared by market intermediaries related to securities market process education and awareness messages. The SEBI Investor website promotes confident and informed participation by investors in the securities market.

J. Distribution of Shareholding and Shareholding Pattern

Distribution of Shareholding as on March 31, 2024

| Sl. no. | Category (Shares) | No. of Holders | % to Holders | No. of Shares | % To Equity |
|---------|-------------------|----------------|---------------|---------------------|---------------|
| 1 | 1 - 500 | 40,311 | 96.62 | 21,89,208 | 1.84 |
| 2 | 501 - 1000 | 647 | 1.55 | 5,03,626 | 0.42 |
| 3 | 1001 - 2000 | 266 | 0.64 | 3,91,693 | 0.33 |
| 4 | 2001 - 3000 | 101 | 0.24 | 2,52,954 | 0.21 |
| 5 | 3001 - 4000 | 48 | 0.12 | 1,75,163 | 0.15 |
| 6 | 4001 - 5000 | 27 | 0.06 | 1,27,612 | 0.11 |
| 7 | 5001 - 10000 | 81 | 0.19 | 5,87,717 | 0.49 |
| 8 | 10001 - 20000 | 55 | 0.13 | 8,04,877 | 0.68 |
| 9 | 20001 and above | 185 | 0.44 | 11,41,23,450 | 95.78 |
| | Total | 41,721 | 100.00 | 11,91,56,300 | 100.00 |

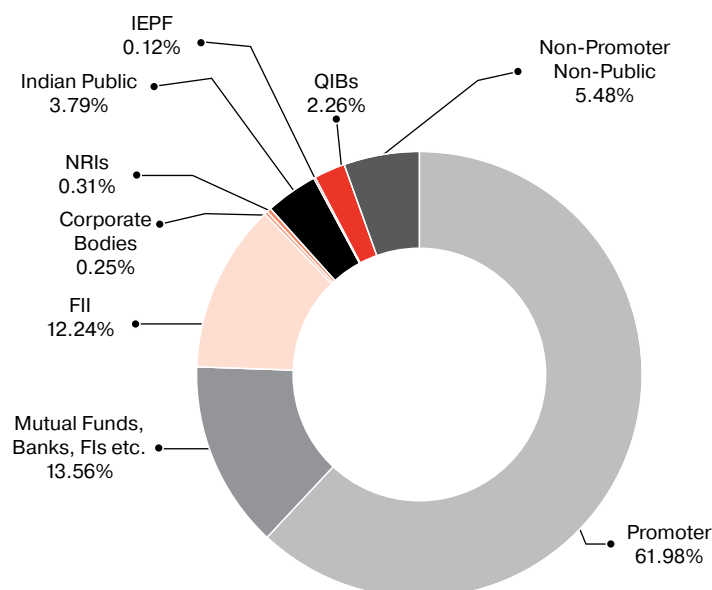
Category of Equity Shareholders as on March 31, 2024

| Category | No. of Shares held | % of Shareholding |
|--|--------------------|-------------------|
| (A) Promoters' Holding | | |
| 1. Individuals | 6,000 | 0.01 |
| 2. Corporate bodies | 7,38,49,305 | 61.98 |
| (A) Total Shareholding of Promoters | 7,38,55,305 | 61.99 |



| Category | No. of Shares held | % of Shareholding |
|--|---------------------|-------------------|
| (B) Non-Promoters' Holding | | |
| 1 Mutual funds, banks, financial institutions, insurance companies, etc. | 16,154,897 | 13.56 |
| 2 Foreign Institutional Investors (FII) | 1,45,79,479 | 12.24 |
| 3 Corporate bodies | 2,97,146 | 0.25 |
| 4 Non-resident individuals | 3,71,385 | 0.31 |
| 5 Indian public and others | 45,24,918 | 3.79 |
| 6 IEPF | 1,39,785 | 0.12 |
| 7 Qualified Institutional Buyer (QIB) | 26,93,685 | 2.26 |
| 8 Alternative Investment Fund (AIF) | 4,148 | 0.00 |
| (B) Total Public Shareholding | 3,87,65,443 | 32.53 |
| (C) Non-Promoter Non-Public | 65,35,552 | 5.48 |
| Total (A)+(B)+(C) | 11,91,56,300 | 100 |

Shareholding Pattern as on March 31, 2024



K. Details of Dematerialisations

The Company's equity shares are under compulsory demat trading for all categories of investors. As on March 31, 2024, a total of 11,90,17,670 shares are in dematerialised form representing 99.88% of the total equity share capital.

L. 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.

M. Foreign Exchange Risk and Hedging Activities

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

N. Plant Locations

| Domestic | |
|--|--|
| Pune <ul style="list-style-type: none"> D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune - 411 019, Maharashtra 98-99, Bhosari MIDC Industrial Area, Bhosari, Pune - 411 026, Maharashtra D-1 Block, MIDC Industrial Area, Chinchwad, Pune – 411 019, Maharashtra | Solapur Plot No. T-1 MIDC, Chincholi, Taluka Mohol, Dist. Solapur - 413 255, Maharashtra |
| Paudh At Paudh, Post Mazgaon, Taluka Khalapur, Dist. Raigad - 410 206, Maharashtra | Shirwal Plot No. A-2 & A-3, Khandala Industrial area, Phase 1, MIDC, Village Kesurdi, Tal-Khandala, Dist. Satara - 412802, Maharashtra |
| Mundra SEZ Survey No. 169, Village Dhrub, Taluka Mundra, Mundra - 370421, Dist. Kutch, Gujarat | Savli Plot No. 21/1-2-3, GIDC Manjusar, Taluka-Savli, Dist. Vadodara - 391 775, Gujarat |
| Dahej Plot No. Z/96/C, Dahej SEZ, Phase-II, Taluka Vagra Dist. Bharuch - 392 130, Gujarat | Jhagadia Plot No. 903/1, GIDC, Jhagadia Industrial Estate, Jhagadia - 393 110, Dist. Bharuch, Gujarat |
| Sri City 2700, Peepul Boulevard Sricity DTZ Andhra Pradesh - 517646 | |
| International | |
| Danstoker A/S Industrivej Nord 13 DK-7400 Herning, Denmark | PT Thermax International Indonesia Jl. Eropal Kav P2 KIEC, Cilegon-Banten, Indonesia |
| Danstoker Poland SP.ZO.O. ul. Kolejowa, nr 20, lok. miejsc. Ostrowiec Swietokrzyski, kod 27-400, Poczta Ostrowiec Swietokrzyski, Kraj Polska | RIFOX - Hans Richter GmbH Spezialarmaturen, Bertha-von-Suttner- Str. 9, 28207 Bremen, Germany |

O. Credit Rating

Your Company has been rated 'AA+/ Stable (Reaffirmed)' for Long Term Rating and A1+ (Reaffirmed) for Short Term Rating by Credit Rating Information Services of India Limited (CRISIL) for its banking facilities.

7. Senior Management Personnel

The Securities Exchange Board of India (SEBI) vide its circular dated July 13, 2023, amended the SEBI (LODR) Regulations, 2015. Pursuant to such amendment the Company is required to disclose the details of the senior management of the Company as well as changes if any during the year. The details of the senior management are as under:

| Sr. No. | Name | Designation | Particulars of Changes During the Year, if Any |
|---------|-----------------------|--|--|
| 1. | Ashish Bhandari | Managing Director & Chief Executive Officer Key Managerial Personnel (KMP) | - |
| 2. | Rajendran Arunachalam | Executive Vice President, Group Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) | - |
| 3. | B.C. Mahesh | Executive Vice President and BU Head – Industrial Product Business | - |
| 4. | Rajesh B.C. | Executive Vice President and CEO – TBWES | Inducted effective December 29, 2023 |
| 5. | Dinesh Mandhana | Executive Vice President and BU Head – Chemical | - |
| 6. | Hemant Mohgaonkar | Executive Vice President and BU head – New Energy | - |
| 7. | Jasmeet Bhatia | Executive Vice President and Chief Human Resources Officer | - |
| 8. | Kirtiraj Jilkar | Executive Vice President and BU Head – P&ES | - |
| 9. | Pravin Karve | President - TBWES and P&ES | - |
| 10. | Amit Sethi | Executive Vice President and Chief Digital and Information Officer | - |
| 11. | Mahesh Murthy | Executive Vice President and Chief Technology Officer | Ceased effective August 31, 2023 |



| Sr. No. | Name | Designation | Particulars of Changes During the Year, if Any |
|---------|--------------------|--|--|
| 12. | Shekhar Kashalikar | CEO – TBWES | Ceased effective September 30, 2023 |
| 13. | Janhavi Khele | Company Secretary, Compliance Officer and Key Managerial Personnel (KMP) | - |
| 14. | Satish Jayaram | Chief Internal Auditor | - |
| 15. | Samina Khalid | Head – Corporate Communication | - |
| 16. | Indu Jacob | Head – Mergers and Acquisitions (M&A) | - |
| 17. | Vipin Upadhyay | Head - HSE | - |

8. Other Disclosures

A) Related Party Transactions

Related party transactions during the year have been disclosed as a part of financial statements as required under Ind-AS 24 issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions. The Related Party Transactions Policy, as updated in pursuance of SEBI (LODR) (Amendment) Act, 2018, has been uploaded on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2023/03/RPT-Policy.pdf>

B) D&O Insurance for Directors

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for all its directors and officers for such quantum and for such risks as determined by the Board.

C) Details of any Non-Compliance w.r.t. Capital Markets during the Year

During the previous three years, 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.

D) Whistleblower Policy/Vigil Mechanism

The Board has adopted a Whistleblower 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 whistleblower 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 e-mail IDs - tlgovernance@gmail.com (Chairperson or Managing Director) or nhm@nawshirmirza.com (Chairman of the Audit Committee) for reporting or sending a written complaint. The Whistleblower Policy is available on the website of the Company at <https://www.thermaxglobal.com/wp-content/uploads/2021/08/Thermax-Ltd.-Whistleblower-Policy-.pdf>. The confidentiality of such reporting is maintained and the whistleblower is protected from any discriminatory action.

E) Board Diversity Policy

The policy sets out the approach to diversity on the Board of the Company. The policy is available on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2021/04/Board-Diversity-Policy.pdf>

F) Insider Trading Policy

The policy provides the framework to deal with securities of the Company. The Insider Trading Policy is amended in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended thereto). The policy is available on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2022/11/CoC-for-Insider-Trading.pdf>

G) Dividend Distribution Policy (DDP)

The Company adopted the DDP effective February 8, 2017. There has been no change in the policy during the year, and the same is disclosed on the Company's website: <https://www.thermaxglobal.com/wp-content/uploads/2020/03/DIVIDEND-DISTRIBUTION-POLICY.pdf>

H) Code of Conduct

The Board of your Company has laid down a Code of Conduct for Board of Directors and senior management of Thermax Limited ("Code of Conduct"). The Code is disclosed on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2022/04/Code-of-Conduct-for-BOD-and-Sr.-Management-1.pdf>

- All the Board Members and senior management personnel have affirmed compliance with this Code.
- The declaration by the MD & CEO as required under Regulation 34(3), read with Schedule V (D) of the Listing Regulations regarding adherence to the Code of Conduct has been obtained for FY 2023-24 and forms part of this Report.

I) Policy for determining material subsidiaries is disclosed on the website of the Company: https://www.thermaxglobal.com/wp-content/uploads/2020/03/Policy_on_Material_Subsidiaries.pdf

J) The Company has adopted the Policy of Determination of Materiality for Disclosures. SEBI, vide it's circular dated July 13, 2023, had amended Regulation 30 (Disclosure of material events and information), which resulted in changes in materiality thresholds of the Company. Accordingly, the Board at its meeting held on August 1, 2023 amended its policy for determination of materiality for disclosure of events or information. The policy is available on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2024/05/Materiality-Policy.pdf>

K) The Company has adopted a Policy on Archival and Preservation of Documents, and the same is disclosed on the website of the Company: <https://www.thermaxglobal.com/wp-content/uploads/2023/07/Thermax-Record-Retention-Policy.pdf>

L) The Company has complied with the Corporate Governance requirements as per the Listing Regulations.

M) The Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).

N) There was no recommendation that has been proposed by the committees, which has not been approved by the Board.

O) Details of Remuneration Paid to the Statutory Auditors:

The details of total fees for all services paid by the Company and its subsidiaries on a consolidated basis to the statutory auditors are as follows:

| Payment to Statutory Auditors and its Network Firms | Amount Rs. |
|--|-------------------|
| As Auditor | |
| Audit and limited review fee | 44,744,186 |
| In Other Capacity | |
| Other services | 919,491 |
| Reimbursement of expenses | 1,220,873 |
| Total | 46,884,550 |

P) Disclosure in Relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

| | |
|--|---|
| Number of complaints filed during the financial year | 1 |
| Number of complaints disposed of during the financial year | 1 |
| Number of complaints pending as on end of the financial year | 0 |

Q) Disclosure of 'Loans and Advances in the nature of Loans to Firms/Companies in which Directors are interested by Name and Amount'

The details of loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount are given in the financial statement in note no. 32 on page no. 376.

R) Details of Material Subsidiaries

In terms of the requirement of Regulation 24(1) of the Listing Regulations, Thermax Babcock & Wilcox Energy Solutions Limited (TBWES), is an unlisted material subsidiary of the Company. Rajani Kesari, Nawshir Mirza and Shyamak R. Tata, Independent Directors of the Company, are appointed as Non-Executive Director(s) on the Board of TBWES.

The details of TBWES are as under:

1. Date of incorporation: June 26, 2010



2. Place of incorporation: Mumbai
3. Name of Statutory Auditors: SRBC & Co. LLP
4. Date of Appointment of Statutory Auditors: August 8, 2019 (1st term)
5. Date of Re-appointment of Statutory Auditors: July 28, 2020 (2nd term for 5 years)

S) Annual Report

The Annual Report containing, inter alia, the audited Financial Statement, Consolidated Financial Statement, Board's Report, Auditor's Report and other important information is sent to members and others entitled thereto. The Annual Reports are also available on the Company's website: <https://www.thermaxglobal.com/annual-reports/>

T) Website

The Company's website www.thermaxglobal.com has a separate dedicated section 'Investors' where latest information required under Regulation 46 and other applicable provisions of the Listing Regulations is available. Other than the quarterly and annual results, comprehensive information about the Company, its business and operations, press releases, shareholding pattern, corporate benefits, contact details, forms, etc. are also hosted on the website.

U) Cyber Security Incidents or Breaches or Loss of Data or Documents

During the year under review, the Company confirms that, there were no cyber security incidents or instances of breach or loss of data or documents.

V) Disclosure under clause 5A of Para A of Part A of Schedule III of Listing Regulations:

The Articles of Association of the Company grants certain rights to core promoters of the Company relating to appointment and removal of directors, whole-time director/s or managing director and to designate one of them as chairman of the Company. Relevant disclosures in this regard have been intimated to the stock exchanges and are available on the website of the Company at <https://www.thermaxglobal.com/wp-content/uploads/2023/08/SEIntimationmateriality1.pdf>

8. Non-Mandatory Requirements

The Company has adopted the following discretionary practices as specified under Regulation 27(1) of Listing Regulations:

A. Chairperson's Office

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 towards the performance of her duties.

B. Separate Post of Chairperson and CEO

The Company has separate positions of Non-Executive Chairperson and Managing Director and CEO.

C. Reporting of Internal Auditor

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

To,
The Shareholders,
Thermax Limited ("the Company"),
Pune

Sub: Compliance with Code of Conduct as per Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has adopted a code of conduct, which deals with governance practices expected to be followed by the Board of Directors and senior management employees of the Company.

I hereby declare that all the directors and senior management employees of the Company have affirmed compliance with the said code of conduct adopted by the Board.

Date: May 2, 2024
Place: Pune

Ashish Bhandari
Managing Director & CEO



Annexure B

Compliance Certificate as Required Under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

To
The Board of Directors,
Thermax Limited, Pune

Dear Sir(s) and Madam(s),

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 quarter and year ended March 31, 2024, 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 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.

Ashish Bhandari
Managing Director & CEO

Rajendran Arunachalam
Group CFO

Date: April 25, 2024
Place: Pune

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Thermax Limited,
D-13 MIDC, Ind. Area, R. D. Aga Road,
Chinchwad, Pune - 411019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Thermax Limited (hereinafter referred to as 'the Company'), having CIN L29299PN1980PLC022787 and having registered office at D-13 MIDC, Ind. Area, R. D. Aga Road, Chinchwad, Pune - 411019 produced before us by the Company on the email for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2024** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of the Director | DIN | Original Date of Appointment |
|---------|---------------------------------|----------|------------------------------|
| 1 | Jairam Varadaraj | 00003361 | 31/01/2003 |
| 2 | Meher Pheroz Pudumjee | 00019581 | 15/01/2001 |
| 3 | Pheroz Naswanjee Pudumjee | 00019602 | 15/01/2001 |
| 4 | Nawshir Hoshang Mirza | 00044816 | 03/05/2011 |
| 5 | Shashishekhar Pandit Balkrishna | 00075861 | 30/05/2017 |
| 6 | Harsh Charandas Mariwala | 00210342 | 10/11/2016 |
| 7 | Rajani Kesari | 02384170 | 14/11/2018 |
| 8 | Ashish Bhandari | 05291138 | 18/06/2020 |
| 9 | Ravi Shankar Gopinath | 00803847 | 10/11/2021 |
| 10 | *Shyamak Ramyar Tata | 07297729 | 17/10/2023 |

*Mr. Shyamak Ramyar Tata (DIN: 07297729), was appointed as Additional Independent Director in the Board meeting held on October 17, 2023, and appointed as Independent director via Postal Ballot on January 06, 2024.

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SVD & Associates

Company Secretaries

Sridhar Mudaliar

Partner

FCS No.: 6156

CP No.: 2664

Peer Review Number: 669/2020

UDIN: F006156F000329578

Place: Pune

Date: May 10, 2024

Note: We have relied on the documents and evidences provided by electronic mode, for the purpose of issuing this certificate.



Annexure D

Certificate from Practising Company Secretary on Corporate Governance

To,
The Members of
Thermax Limited

We have examined the compliance of conditions of Corporate Governance by **Thermax Limited** (hereinafter referred "the Company"), for the year ended on **March 31, 2024**, as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations).

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 above-mentioned Listing Regulations, as applicable.

We further state that this certificate 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 SVD & Associates

Company Secretaries

Sridhar Mudaliar

Partner

FCS No.: 6156

CP No.: 2664

Peer Review Number: 669/2020

UDIN: F006156F000329688

Place: Pune

Date: May 10, 2024

Note: We have relied on the documents and evidences provided by electronic mode, for the purpose of issuing this certificate.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Section A: General Disclosures

I. Details of the Listed Entity

| | | |
|----|---|---|
| 1 | Corporate Identity Number (CIN) of the listed entity | L29299PN1980PLC022787 |
| 2 | Name of the listed entity | Thermax Limited |
| 3 | Year of incorporation | June 30, 1980 |
| 4 | Registered office address | D-13, MIDC, Industrial Area, R. D. Aga Road, Chinchwad, Pune 411019 |
| 5 | Corporate office address | Thermax House 14, Mumbai-Pune Road, Wakdevadi, Pune 411003, Maharashtra, India |
| 6 | E-mail | cservice@thermaxglobal.com |
| 7 | Telephone | 020-66051200 |
| 8 | Website | www.thermaxglobal.com |
| 9 | Financial year for which reporting is being done | 2023-2024 |
| 10 | Name of the stock exchange(s) where shares are listed | BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) |
| 11 | Paid-up capital | Rs. 23,83,12,600 |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Ms. Janhavi Khele cservice@thermaxglobal.com |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities that form a part of its consolidated financial statements, taken together)? | Standalone – Thermax Limited |
| 14 | Name of the assurance provider | Price Waterhouse Chartered Accountants LLP |
| 15 | Type of assurance obtained | Limited |

The reporting boundary for the current year ended March 31, 2024 is on a standalone basis for Thermax Limited only. Information and disclosures for the previous year ended March 31, 2023 are on a consolidated basis (unless otherwise stated), which includes the following entities: (i) Thermax Limited, (ii) Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES), (iii) Thermax Instrumentation Limited and (iv) Thermax Onsite Energy Solutions Limited (TOESL).

Accordingly, current year's information and disclosures are not comparable with those of the previous year.

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover)

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the Entity |
|--------|------------------------------|--|-----------------------------|
| 1 | Industrial Products segment | Boilers & heating equipment (small capacity), absorption chillers/heat pumps, air pollution control equipment/systems, water & waste recycle including associated services and engineering, procurement and construction (EPC) | 57 |
| 2 | Industrial Infra segment | EPC of power plants, boiler & heater (high capacity) plants, infra projects, flue gas desulphurisation projects (including associated services) | 32 |
| 3 | Chemical segment | Ion exchange resins, performance chemicals, construction chemicals, water treatment chemicals, oil field chemicals, paper and construction chemicals and related services | 11 |



17. Products/services sold by the entity (accounting for 90% of the entity's turnover)

| S. No. | Products/Services | NIC Code | % of Total Turnover Contributed |
|--------|---|---------------------|---------------------------------|
| 1 | Industrial Products segment: boilers & heating equipment (small capacity), absorption chillers/heat pumps, air pollution control equipment/systems, water & waste recycle including associated services and engineering, procurement and construction (EPC) | 37003, 25131, 20119 | 57 |
| 2 | Industrial Infra segment: EPC of power plants, boiler & heater (high capacity) plants, infra projects, flue gas desulphurisation projects (including associated services) | 37003, 25131, 20119 | 32 |
| 3 | Chemical segment: ion exchange resins, performance chemicals, construction chemicals, water treatment chemicals, oil field chemicals, paper chemicals and construction chemicals and related services | 37003, 25131, 20119 | 11 |

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

| Location | Number of Plants | Number of Offices | Total |
|---------------|------------------|-------------------|-------|
| National | 8 | 17 | 25 |
| International | 0 | 0 | 0 |

19. Markets served (refers to all the geographic regions where the Company sells its products) by the entity

a. Number of Locations

| Locations | Number |
|----------------------------------|--------|
| National (No. of States) | 31 |
| International (No. of Countries) | 92 |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

18%

c. A brief on types of customers

The Company has a presence in both national and international markets, offering its products and services to customers predominantly engaged in manufacturing. Many customers emphasise on providing sustainable products that are both environmentally conscious and economically feasible. By providing sustainable products to these manufacturing customers, the Company is enabling them to make a positive impact on the environment while still maintaining their bottom line.

IV. Employees

20. Details as at the end of the financial year

a. Employees and workers (including differently-abled)

| S. No. | Particulars | Total | Male | Female | | |
|------------------|--------------------------------|--------------|--------------|-----------|------------|----------|
| | | (A) | No. (B) | % (B/A) | No. (C) | % (C/A) |
| Employees | | | | | | |
| 1 | Permanent (D) | 2,830 | 2,572 | 91 | 258 | 9 |
| 2 | Other than permanent (E) | 2,723 | 2,631 | 97 | 92 | 3 |
| 3 | Total employees (D + E) | 5,553 | 5,203 | 94 | 350 | 6 |
| Workers | | | | | | |
| 4 | Permanent (F) | 542 | 540 | 100 | 2 | - |
| 5 | Other than permanent (G) | 2,340 | 2,269 | 97 | 71 | 3 |
| 6 | Total workers (F + G) | 2,882 | 2,809 | 97 | 73 | 3 |

b. Differently-abled employees and workers

| S. No. | Particulars | Total | Male | Female | | |
|------------------|--|----------|----------|----------|----------|------------|
| | | (A) | No. (B) | % (B/A) | No. (C) | % (C/A) |
| Employees | | | | | | |
| 1 | Permanent (D) | 1 | - | - | 1 | 100 |
| 2 | Other than permanent (E) | - | - | - | - | - |
| 3 | Total differently-abled employees (D + E) | 1 | - | - | 1 | 100 |
| Workers | | | | | | |
| 4 | Permanent (F) | - | - | - | - | - |
| 5 | Other than permanent (G) | 1 | - | - | 1 | 100 |
| 6 | Total differently-abled workers (F + G) | 1 | - | - | 1 | 100 |

21. Participation/inclusion/representation of women

| | Total | No. and Percentage of Females | |
|--------------------------|-------|-------------------------------|---------|
| | (A) | No. (B) | % (B/A) |
| Board of Directors | 10 | 2 | 20 |
| Key management personnel | 3 | 1 | 33 |

22. Turnover rate for permanent employees and workers (Disclose trends for the past three years)

| | FY 2023-2024 (Turnover Rate in Current FY) | | | FY 2022-2023 (Turnover Rate in Previous FY) | | | FY 2021-2022 (Turnover Rate in the Year Prior to the Previous FY) | | |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent employees | 15 | 17 | 15 | 18 | 27 | 18 | 13 | 8 | 14 |
| Permanent workers | 13 | - | 13 | 1 | 60* | 1 | 0# | - | 0# |

* During FY 2022-23, out of five, three female workers left.

Permanent workers turnover rate for FY 21-22 is 0.32

V. Holdings, Subsidiaries, and Associate Companies (including Joint Ventures)

23. (a) Names of holdings/subsidiaries/associate companies/joint ventures

| S. No. | Name of the Holdings/Subsidiaries/Associate Companies/Joint Ventures (A) | Indicate Whether Holding/Subsidiary/Associate/Joint Venture | % of Shares Held by Listed Entity | Does the Entity Indicated at Column A, Participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No) |
|--------|--|---|-----------------------------------|--|
| 1 | RDA Holdings Private Limited | Holding | - | No |
| 2 | Thermax Onsite Energy Solutions Ltd. | Subsidiary | 100 | Yes |
| 3 | Thermax Instrumentation Limited | Subsidiary | 100 | Yes |
| 4 | Thermax Engineering Construction Company Ltd. | Subsidiary | 100 | No |
| 5 | Thermax International Ltd. (Mauritius) | Subsidiary | 100 | No |
| 6 | Thermax Europe Ltd. (U.K.) | Subsidiary | 100 | No |
| 7 | Thermax Inc. (U.S.A.) | Subsidiary | 100 | No |
| 8 | Thermax do Brasil Energia e Equipamentos Ltda. (Brazil) | Subsidiary | 100 | No |
| 9 | Thermax Netherlands BV | Subsidiary | 100 | No |
| 10 | Thermax Denmark ApS | Subsidiary | 100 | No |
| 11 | Danstoker A/S | Subsidiary | 100 | No |
| 12 | Ejendomsanpartsselskabet Industrivej Nord 13 | Subsidiary | 100 | No |
| 13 | Boilerworks A/S | Subsidiary | 100 | No |



| S. No. | Name of the Holdings/Subsidiaries/Associate Companies/Joint Ventures (A) | Indicate Whether Holding/Subsidiary/Associate/Joint Venture | % of Shares Held by Listed Entity | Does the Entity Indicated at Column A, Participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No) |
|--------|--|---|-----------------------------------|--|
| 14 | Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia | Subsidiary | 100 | No |
| 15 | Rifox-Hans Richter GmbH Spezialarmaturen | Subsidiary | 100 | No |
| 16 | Thermax Sdn.Bhd, Malaysia | Subsidiary | 100 | No |
| 17 | Thermax Engineering Singapore Pte. Ltd. | Subsidiary | 100 | No |
| 18 | PT Thermax International Indonesia | Subsidiary | 100 | No |
| 19 | Thermax Energy & Environment Philippines Corporation | Subsidiary | 100 | No |
| 20 | Thermax Energy & Environment Lanka (Private) Limited | Subsidiary | 100 | No |
| 21 | Thermax Nigeria Limited | Subsidiary | 100 | No |
| 22 | Thermax Babcock & Wilcox Energy Solutions Ltd. | Subsidiary | 100 | Yes |
| 23 | Thermax Cooling Solutions Limited | Subsidiary | 100 | No |
| 24 | Thermax Engineering Construction FZE | Subsidiary | 100 | No |
| 25 | Thermax International Tanzania Limited | Subsidiary | 100 | No |
| 26 | Thermax (Thailand) Limited | Subsidiary | 100 | No |
| 27 | Enerxnt Private Limited | Subsidiary | 100 | No |
| 28 | Thermax Bioenergy Solutions Private Limited | Subsidiary | 65 | Yes |
| 29 | First Energy Private Limited | Subsidiary | 100 | Yes |
| 30 | First Energy TN 1 Private Limited | Subsidiary | 73.82 | Yes |
| 31 | First Energy 2 Private Limited | Subsidiary | 73.99 | Yes |
| 32 | First Energy 3 Private Limited | Subsidiary | 73.99 | Yes |
| 33 | First Energy 4 Private Limited | Subsidiary | 73.99 | Yes |
| 34 | First Energy 5 Private Limited | Subsidiary | 73.81 | Yes |
| 35 | First Energy 6 Private Limited | Subsidiary | 73.96 | Yes |
| 36 | First Energy 7 Private Limited | Subsidiary | 71.17 | Yes |
| 37 | First Energy 8 Private Limited | Subsidiary | 100 | Yes |
| 38 | First Energy Nine Private Limited | Subsidiary | 100 | Yes |
| 39 | First Energy 10 Private Limited | Subsidiary | 100 | No |
| 40 | Jalansar Wind Energy Private Limited | Subsidiary | 74 | Yes |
| 41 | Kanakal Wind Energy Private Limited | Subsidiary | 74 | Yes |
| 42 | Exactspace Technologies Private Limited | Associate Company | 15.17 | No |
| 43 | Covascis Technologies Private Limited | Associate Company | 16.67 | No |

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs. in crore): 5,821.93

(iii) Net worth (in Rs. in crore): 3,536.70

VII. Transparency and Disclosures Compliances

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

| Stakeholder Group from Whom Complaint is Received | Grievance Redressal Mechanism in Place | If Yes, Then Provide Web-link for Grievance Redressal Policy) | FY 2023-24 Current Financial Year | | | FY 2022-23 Previous Financial Year | | |
|---|--|---|---|---|---------|---|---|---------|
| | | | No. of Complaints Filed during the Year | No. of Complaints Pending Resolution at Close of the Year | Remarks | No. of Complaints Filed during the Year | No. of Complaints Pending Resolution at Close of the Year | Remarks |
| Communities | No | No | - | - | NA | - | - | NA |
| Investors (other than shareholders) | Yes | Yes* | - | - | NA | - | - | NA |
| Shareholders | Yes | Yes* | - | - | NA | 2 | - | NA |
| Employees and Workers | Yes | Yes** | 13 | 5 | NA | 7 | 1 | NA |
| Customers | Yes | Yes*** | 8,257 | 30 | NA | 7,335 | 143 | NA |
| Value chain partners | Yes | Yes**** | - | - | NA | 2 | - | NA |

Note: The Company has a mechanism (complaint box at locations)/platforms (town hall meetings) to track complaints and the numbers are mentioned under respective heads in the report. Other routine/miscellaneous complaints/concerns addressed at respective forums like town hall etc. are not added here.

* <https://www.thermaxglobal.com/investor-services-contact/>

** <https://www.thermaxglobal.com/about-us/policies/>

*** <https://www.thermaxglobal.com/thermaxedge/>

**** https://www.thermaxglobal.com/wp-content/uploads/2023/09/Code_of_Conduct_for_ThermaxGroupsSupplyChainPartners.pdf

**** <https://www.thermaxglobal.com/wp-content/uploads/2021/05/Thermax-Ltd.-Whistleblower-Policy-.pdf>

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

| S. No. | Material Issue Identified | Indicate whether Risk or Opportunity (R/O) | Rationale for Identifying the Risk/ Opportunity | In Case of Risk, Approach to Adapt or Mitigate | Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications) |
|--------|--|--|--|--|--|
| 1 | Energy management | O | Effective energy efficiency management resulted in several advantages to the Company, such as cost reduction, increased efficiency, enhanced reputation, regulatory compliance, and innovation. | | Positive |
| 2 | Design upgradation & improvements | O | Opportunity to develop and deliver state-of-the-art technology products and implement sustainability aspects in both products and services. The Company's strong internal engineering and R&D are developing new products and services to meet customer needs. | | Positive |
| 3 | Waste management | R | Waste management is a material issue due to growing regulatory pressure, as companies that fail to comply with regulations may face legal and financial consequences. | Improper disposal of waste can have detrimental effects on our ecosystems and public health. Waste management is one of the most pressing environmental issues of our time. The Company ensures adherence to the regulatory framework defined under applicable laws. | Negative |



| S. No. | Material Issue Identified | Indicate whether Risk or Opportunity (R/O) | Rationale for Identifying the Risk/ Opportunity | In Case of Risk, Approach to Adapt or Mitigate | Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications) |
|--------|-------------------------------------|--|---|--|--|
| | | O | The Company has taken proactive measures to incorporate sustainable waste management approaches such as recycling and waste reduction. By doing so, we seize the chance to minimise our environmental footprint, reduce expenses, explore fresh avenues for business growth and ensure compliance with regulations. | | Positive |
| 4 | Climate change-related risks | R | Climate change is a significant risk for companies due to the growing awareness of the negative impact of human activities on the environment. To mitigate this risk, companies must adopt more sustainable practices and offer environment-friendly products to meet the changing demands of their customers and stakeholders. | The Company recognises the importance of being proactive in responding to the challenges and opportunities presented by climate change. By charting out strategy, the Company is well-positioned to respond to climate change-related risks. | Negative |
| | | O | The increasing awareness of the negative impact of human activities on the environment, particularly climate change, presents a significant opportunity for companies. Responding to this concern, the Company is putting concentrated efforts to develop sustainable products and environment-friendly solutions. | | Positive |
| 5 | Water management | R | The increasing scarcity of freshwater sources can disrupt the Company's operations, supply chain, and reputation, leading to potential economic losses. Additionally, companies that rely heavily on water for their operations, such as chemical manufacturing, are particularly vulnerable to water-related risks | The Company has developed in-house expertise and solutions for optimising water usage in industrial plants. | Negative |
| | | O | The Company's effective water management practices are helping to mitigate risks associated with water scarcity, such as disruptions to its operations, supply chain, and reputation. Furthermore, the Company considers water management as an opportunity to reduce customer's water consumption, save costs, and increase efficiency. Adopting sustainable water practices can mitigate risks associated with water scarcity, preserve vital ecosystems, and ensure access to safe and clean drinking water for communities. | | Positive |
| 6 | Emission management | O | The Company's utmost priority is emission management through various activities that contribute to mitigating climate change while also reaping the benefits of a more sustainable and profitable business model. | | Positive |

| S. No. | Material Issue Identified | Indicate whether Risk or Opportunity (R/O) | Rationale for Identifying the Risk/ Opportunity | In Case of Risk, Approach to Adapt or Mitigate | Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications) |
|--------|--|--|---|--|--|
| 7 | Local employment | R | Lack of employment opportunities in the local area can impede economic development in the community, resulting in insufficient support from local stakeholders. Furthermore, businesses that fail to prioritise local employment may encounter challenges in accessing the skills and expertise of the local workforce, resulting in escalated costs and decreased efficiency. | The Company's emphasis on local hiring minimises the risks and establishes favourable relationships with the local community as a responsible corporate. | Negative |
| 8 | Occupational health & safety | R | Workplace accidents and illnesses can impact productivity and increase costs. It may damage the reputation of the Company and may adversely impact the morale of employees and its culture. | The Company has implemented the OHSE policy and enforces strict adherence to it. Several initiatives and programmes have also been initiated to manage health and safety, which are continually monitored for improvement. One of the initiatives is the Behaviour Based Safety programme, which aims to bring about a cultural shift towards safety improvement. Furthermore, the Company has put in place several insurances and medical policies to safeguard its employees | Negative |
| 9 | Talent acquisition and retention | R | The inability to attract and retain top talent can result in a shortage of skilled employees, leading to reduced productivity, increased costs, and potential quality issues. Additionally, the turnover of key employees can lead to a loss of institutional knowledge and expertise, which can negatively impact the Company's competitiveness and ability to innovate. | The Company has implemented various measures to attract and retain talent through initiatives such as job rotation, up-skilling, reskilling, training, fast-track promotion, leadership development programmes, etc. Moreover, the Company has taken steps to ensure the well-being of its employees. | Negative |
| 10 | Responsible supply chain management | R | Consumers are becoming increasingly aware of the ethical and environmental impacts of the products they purchase, and they are more likely to avoid brands that do not meet their expectations. This can lead to a loss of market share and reputational damage for companies. By prioritising responsible supply chain management practices, companies can mitigate these risks, improve their reputation, and gain a competitive advantage in the market. Failure to ensure that suppliers meet environmental and social standards can lead to legal and regulatory challenges, resulting in fines, legal action, and negative publicity. | The Company enforces a vendor code of conduct and actively collaborates with vendors to improve its operations. The vendor code of conduct lays down guidelines outlining expectations and standards for vendors who provide goods or services to the Company. It covers various areas such as labour practices, human rights, environmental sustainability, and business ethics. By having a vendor code of conduct, the Company sets clear expectations for its suppliers, ensuring they meet the necessary standards. | Negative |
| 11 | Labour management relations | R | Not adhering to labour laws not only violates human rights but can also lead to legal and reputational risks for the Company. Negative publicity resulting from labour disputes, strikes, or other labour-related issues can lead to a loss of customer confidence and reduced sales. | The Company ensures ongoing monitoring and audits which reveal compliance at all locations. This helps the Company to progressively move to the next level as envisioned through the Social Compact initiative. | Negative |



| S. No. | Material Issue Identified | Indicate whether Risk or Opportunity (R/O) | Rationale for Identifying the Risk/ Opportunity | In Case of Risk, Approach to Adapt or Mitigate | Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications) |
|--------|--|--|---|--|--|
| 12 | Diversity & equal opportunity | O | A diverse workforce can bring new perspectives and ideas, which can lead to increased creativity and innovation. Different viewpoints and experiences can improve decision-making and lead to more thoughtful decisions. A diverse workforce can also help companies better understand and serve a diverse customer base, which can lead to improved customer satisfaction and financial performance. | | Positive |
| 13 | Ethics & integrity | O | Prioritising ethics and integrity can lead to enhanced reputation, increased customer loyalty, improved employee morale, and better risk management. Companies that operate with ethics and integrity create a culture of trust and transparency, which can attract customers, investors, and top talent. Employees are more likely to feel engaged and committed to a company that operates with integrity, leading to increased productivity and retention. | | Positive |

Section B: Management and Process Disclosures

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---------------------------------|--|-----|---|-----|-----|-----|-----|-----|-----|
| Policy and Management Processes | | | | | | | | | |
| 1a | Whether your entity's policy/policies cover each principle and core elements of the NGRBCs? (Yes/No) | | Yes | | | | | | |
| 1b | Has the policy been approved by the Board? (Yes/No) | | Yes. The Board has approved the Thermax Code of Conduct, CSR, terms of reference of Stakeholder Relationship Committee and Whistleblower policy which covers each principle and elements of NGRBC. | | | | | | |
| 1c | Web link of the policies, if available | | https://www.thermaxglobal.com/about-us/policies/ https://www.thermaxglobal.com/corporate-governance-policies-and-disclosures/ | | | | | | |
| 2 | Whether the entity has translated the policy into procedures? (Yes/No) | | Yes | | | | | | |
| 3 | Do the enlisted policies extend to your value chain partners? (Yes/No) | | Yes, all applicable policies are extended to value chain partners. | | | | | | |
| 4 | Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle | | ISO 9001, ISO 14001, ISO 45001 | | | | | | |
| 5 | Specific commitments, goals and targets set by the entity with defined timelines, if any | | By 2025, we aim to achieve a 25% reduction in our absolute carbon emissions compared to the base year of 2019. The Company has aimed to obtain Water Positive Certificate for one more manufacturing unit in FY 2024-25. | | | | | | |
| 6 | Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met | | In order to attain this objective, we have identified four crucial areas: operational efficiency, implementation of renewable energy generation, procurement of renewable energy, and fuel switching. As a result at the Group level, 30.61% target achieved in FY 23-24 and 16% reduction achieved at Thermax Limited on a standalone basis. | | | | | | |

Governance, Leadership and Oversight

7 Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Thermax has been committed to environmental well-being since its inception, prioritising ESG long before it became a mainstream concept. The Company aims to reduce 25% of absolute carbon emissions from the base year 2019 by 2025 as part of its decarbonisation journey. To achieve this, multiple initiatives with respect to improving operational efficiency, addition to renewable energy generation and its procurement, and fuel switch, are being implemented across its facilities. On the business side, the Company offers a range of energy-efficient and environment-friendly products and solutions. This enables industries to optimise their energy consumption, reduce greenhouse gas emissions and minimise their freshwater intake through the reuse and recycling of water. Cognisant of the change in the energy mix in recent times, and its ability to contribute to this transition, Thermax has concentrated its efforts towards green energy. It has proactively aligned its strategies with climate change mitigation and sustainability goals. Along with investing in R&D and digital capabilities, it has inked partnerships with global technology majors to strengthen its clean energy offerings and to solidify its presence as a trusted partner in energy transition and water management to its customers.

On the social front, Thermax is actively engaged in initiatives, striving to create equal opportunities through education and empowering the informal workforce through its SoCo initiative.

Although the Company is making persistent efforts to meet its ESG imperatives, there are many challenges on its journey. These include dealing with the complexity of the infrastructure of existing industries and transitioning them into cleaner and more sustainable alternatives, cost implications for implementing the technological innovations, assessing and managing the sustainability practices of its suppliers and mitigating any environmental or associated social risks, and data collection and reporting on ESG performance metrics across the organisation. Despite these challenges, Thermax remains dedicated to addressing them through ongoing innovation, strategic partnerships, stakeholder engagement, and continuous improvement of its ESG practices. Over the past year, concrete progress has been achieved through targeted projects, including the successful procurement of renewable electricity for major manufacturing plants, the installation of solar rooftop systems at critical locations like Solapur and Bhosari plants, and the strategic switch from natural gas to biomass fuel in the boiler at the Dahej plant. We know we have come a long way, but there is still much to be done.

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility and Sustainability Policy Managing Director and Chief Executive Officer Ashish Bhandari | DIN – 05291138

9 Does the entity have a specified committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details. Yes, Managing Director and Chief Executive Officer Ashish Bhandari | DIN – 05291138

10. Details of review of NGRBCs by the Company:

| Subject for Review | Indicate whether Review was Undertaken by Director/Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/Half yearly/Quarterly/Any other – Please Specify) | | | | | | | | |
|---|--|----|----|----|----|----|----|----|----|---|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against the above policies and follow-up action | | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | The policies of Thermax, i.e., Code of Conduct, CSR and Whistleblower, which cover the elements of the NGRBC Principles, are reviewed periodically and approved by the Board. During the review, the effectiveness of the policies is evaluated, and necessary amendments to policies and procedures are implemented. The Company complies with the extant regulations and principles as applicable. | | | | | | | | | | | | | | | | | |



11. Information about the independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|----|----|----|----|----|----|----|----|-------------------------|
| Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No) | | | | | | | | | No assessment conducted |
| If yes, provide name of the agency | | | | | | | | | Not Applicable |

12. If answer to question (1) above is “No” i.e., not all principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|----------------|
| The entity does not consider the principles material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | Not Applicable |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

Section C: Principle-wise Performance Disclosure

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total Number of Training and Awareness Programmes Held | Topics/Principles Covered under the Training and its Impact | % of Persons in Respective Category Covered by the Awareness Programmes |
|----------------------------------|--|--|---|
| Board of Directors | 1 | Board governance focussing on sustainability and ESG | 76 |
| Key Managerial Personnel (KMP) | 1 | Board governance focussing on sustainability and ESG | 100 |
| Employees other than BoD and KMP | 246 | Health-related and human rights related compliance | 55 |
| Workers | 465 | Health & safety-related and skill upgradation & prevention of sexual harassment at the workplace | 100 |

Health-related training has significantly impacted workers and their work environment. It has contributed to the creation of a safer workplace by reducing the number of accidents, injuries, and illnesses. The Company can demonstrate this impact by providing statistics on the percentage of falls in the number of fatalities and injuries in the past year. In addition, a healthier workforce has improved the Company's productivity and efficiency.

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| NGRBC Principle | Name of the Regulatory/ Enforcement Agencies/ Judicial Institutions | Amount (in Rs.) | Brief of the Case | Has an Appeal been Preferred? (Yes/No) |
|---------------------|---|-----------------|-------------------|--|
| Monetary | | | | |
| Penalty/fine | Refer to the Company's website for all disclosures made under Regulation 30 of SEBI | | | |
| Settlement | (Listing Obligations and Disclosure Obligations) Regulations, 2015 at https://www.thermaxglobal.com/stock-exchange-notifications/ | | | |
| Compounding fee | | | | |
| Non-Monetary | | | | |
| Imprisonment | | | | |
| Punishment | Nil | | | |

3. **Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the Regulatory/Enforcement Agencies/Judicial Institutions |
|----------------|---|
| Not Applicable | |

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, we have implemented a Code of Conduct for all our employees, and it distinctly elucidates the expected standards of governance practices within our organisation. A particular emphasis is placed on the Company's unequivocal stance of zero-tolerance towards any forms of bribery and corruption. The intention of this Code is to ensure that all business operations and transactions are carried out in a professional, fair, and principled manner, thereby affirming our commitment towards upholding human rights.

Web-link - https://www.thermaxglobal.com/wp-content/uploads/2023/09/Code_of_Conduct_for_Thermax_Employees-.pdf

5. **Number of directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-----------|-------------------------------------|--------------------------------------|
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Employees | NIL | NIL |
| Workers | NIL | NIL |

6. **Details of complaints regarding conflict of interest:**

| | FY 2023-24 (Current Financial Year) | | FY 2022-23 (Previous Financial Year) | |
|--|-------------------------------------|----------------|--------------------------------------|----------------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of conflict of interest of the directors | NIL | Not Applicable | NIL | Not Applicable |
| Number of complaints received in relation to issues of conflict of interest of the KMPs | NIL | Not Applicable | NIL | Not Applicable |



7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (accounts payable *365)/cost of goods/services procured) in the following format:

| | FY 2023-24 Consolidated (Current Financial Year) | FY 2022-23 23# (Previous Financial Year) |
|-----------------------------------|--|--|
| No. of days of accounts payables* | 86 | 92 |

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

* Average trade payables have been considered in the computation of the numerator. For the purpose of calculating the Cost of goods/ services procured, all procurements in the nature of capital expenditures have been excluded.

The details pertaining to FY 22-23 are on a standalone basis.

9. Openness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2023-24 (Current Financial Year) | FY 2022-23# (Previous Financial Year) |
|----------------------------|---|-------------------------------------|---------------------------------------|
| Concentration of purchases | A. Purchases from trading houses as % of total purchases | 6% | 5% |
| | B. Number of trading houses where purchases are made from | 527 | 321 |
| | C. Purchases from top 10 trading houses as % of total purchases from trading houses | 47% | 53% |
| Concentration of sales | A. Sales to dealers/distributors as % of total sales | 7% | 7% |
| | B. Number of dealers/distributors to whom sales are made | 147 | 147 |
| | C. Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors | 36% | 32% |
| Share of RPTs in | A. Purchases (purchases with related parties/total purchases) | 4% | 6% |
| | B. Sales (sales to related parties/total sales) | 6% | 7% |
| | C. Loans & advances (loans & advances given to related parties/total loans & advances)* | 53% | 62% |
| | D. Investments (investments in related parties/total investments made)^ | 47% | 35% |

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

The details pertaining to the previous year are reported on a standalone basis.

* For loans and advances and Investments, closing balances disclosed in the audited standalone financial statements for the year ended March 31, 2024 have been considered.

^ Including investment in subsidiaries and associates.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

| Total Number of Awareness Programmes held | Topics/Principles Covered under the Training | % of Value Chain Partners Covered (by Value of Business Done with Such Partners) under the Awareness Programmes |
|---|--|---|
| 14 | BRSR 9 Principles | 16 |

2. (a) Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No)

Yes

(b) If yes, provide details of the same.

The Company has a Code of Conduct. This Code of Conduct, aimed towards the Board of Directors and senior management, is made publicly accessible on the Company's website (<https://www.thermaxglobal.com/corporate-governancepolicies-and-disclosures/>)

Under the guidelines outlined in the Code, directors, key managerial personnel, and senior management are expected to avoid scenarios in which their personal interests may directly conflict with the Company's welfare. This involves an annual mandatory disclosure of any potential conflicts of interest to the Board of Directors by the aforesaid categories of personnel.

Another significant measure involves the proper management of related party transactions. Necessary approvals are obtained from both the Audit Committee and the Board prior to entering such transactions, particularly if the directors involved have vested interests in the process. The Company's policy strictly reiterates that any directors or key managerial personnel should abstain from participation in instances where they may have a personal conflict of interest, thereby minimising the opportunity for improper influence or unwanted complications within the workplace.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

| | Current Financial Year (FY 2023-24) | Previous Financial Year (FY 2022-23) | Details of Improvements in Environmental and Social Impacts |
|-------|--|---|--|
| R&D | 11% | 13% | <ul style="list-style-type: none"> (1) Fuel cell development - Environmental: This reduces the CO₂ emissions from the gen set and it produces clean power. (2) Mobile air conditioning system (HVAC) - Environmental: This helps in saving diesel consumption and in turn it will also reduce the CO₂ emissions. (3) CL2001-TAC demonstration at bus world Brussel Expo Oct'21 (HVAC) - Environmental- This helps in saving diesel consumption and, in turn, reduces CO₂ emissions. (4) Green hydrogen - Environmental : This helps in reducing the carbon emission in other hydrogen producing technology (grey/blue/etc.). (5) Bio hydrogen - Environmental: This helps in reducing carbon emissions in other hydrogen producing technology (grey/blue/etc.). (6) Industrial wastewater treatment systems - Environmental: Reuse & recycling of wastewater, thereby reducing the requirement for freshwater |
| Capex | 13% | 14% | <ul style="list-style-type: none"> (1) JC-DMP1-059 ESP for biomass boiler (Dahej) - Air pollution control equipment installed on the biomass-fired boiler as per GPCB norms. (2) JC-PMP1-038 ETP Triton Aerators - By using these aerators, impacts projected are: <ul style="list-style-type: none"> A) 73,000 KWH units per annum are going to be saved. B) Carbon emissions will be reduced by 58 tonnes per annum. C) Effluent parameters maintenance will be constant. (3) Scrap yard for hazardous waste (4) Sewage treatment plant of capacity of 200 KLD |

2. (a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

(b) If yes, what percentage of inputs were sourced sustainably?

50



3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:

| Waste Type | Process Description |
|--------------------------------|---------------------|
| Plastics (including packaging) | Not Applicable |
| E-waste | Not Applicable |
| Hazardous waste | Not Applicable |
| Other waste | Not Applicable |

The Company does not reclaim any specific product at the end of its life. However, at the project and operation sites, there are systems in place to recycle, reuse, and dispose of in line with the regulatory requirement for the above waste being generated during the course of construction and operation.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No)? (b) If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the Company has obtained the Extended Producer Responsibility (EPR) registration for specific products. The environmental responsibility encompasses recycling waste through a Central Pollution Control Board (CPCB) approved agency. The organisation is actively fulfilling its liabilities under EPR by taking effective measures such as progressing toward brand owner registration status.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicator

1. (a) Details of measures for the well-being of employees:

| Category | % of Employees Covered By | | | | | | | | | | |
|---------------------------------------|---------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent Employees | | | | | | | | | | | |
| Male | 2,572 | 2,572 | 100 | 2,572 | 100 | - | - | 2,572 | 100 | 2,572 | 100 |
| Female | 258 | 258 | 100 | 258 | 100 | 258 | 100 | - | - | 258 | 100 |
| Total | 2,830 | 2,830 | 100 | 2,830 | 100 | 258 | 100 | 2,572 | 100 | 2,830 | 100 |
| Other than Permanent Employees | | | | | | | | | | | |
| Male | 2,631 | 2,631 | 100 | 2,631 | 100 | - | - | 2,631 | 100 | 2,631 | 100 |
| Female | 92 | 92 | 100 | 92 | 100 | 92 | 100 | - | - | 92 | 100 |
| Total | 2,723 | 2,723 | 100 | 2,723 | 100 | 92 | 100 | 2,631 | 100 | 2,723 | 100 |

(b) Details of measures for the well-being of workers:

| Category | % of Workers Covered By | | | | | | | | | | |
|-------------------------------------|-------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|----------|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent Workers | | | | | | | | | | | |
| Male | 540 | 540 | 100 | 540 | 100 | - | - | 540 | 100 | - | - |
| Female | 2 | 2 | 100 | 2 | 100 | 2 | 100 | - | - | - | - |
| Total | 542 | 542 | 100 | 542 | 100 | 2 | 100 | 540 | 100 | - | - |
| Other than Permanent Workers | | | | | | | | | | | |
| Male | | | | | | | | | | | |
| Female | | | | | | | | | | | |
| Total | | | | | | | | | | | |

The day-care facility is not provided to the permanent workers. The well-being of the workers other than permanent is the responsibility of the respective contractors engaged at respective locations.

(c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

| | FY 2023-24 | FY 2022-23 [#] |
|---|------------|-------------------------|
| Cost incurred on well-being measures as a % of total revenue of the Company | 0.17 | 0.11 |

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

[#]The details pertaining to FY 22-23 are on a standalone basis.

2. Details of retirement benefits, for the current and previous financial year

| Benefits | FY 2023-2024 Current Financial Year | | | FY 2022-2023 Previous Financial Year | | |
|-------------------------|--|--|--|--|--|--|
| | No. of Employees Covered as a % of Total Employees | No. of Workers Covered as a % of Total Workers | Deducted and Deposited with the Authority (Y/N/N.A.) | No. of Employees Covered as a % of Total Employees | No. of Workers Covered as a % of Total Workers | Deducted and Deposited with the Authority (Y/N/N.A.) |
| PF | 100 | 100 | Y | 100 | 100 | Y |
| Gratuity | 100 | 100 | Y | 100 | 100 | Y |
| ESI | 4 | - | Y | 8 | - | Y |
| Others – please specify | NIL | NIL | NIL | NIL | NIL | NIL |

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act 2016? If not, whether any steps are being taken by the entity in this regard?

The Company is working towards improving infrastructure for eliminating barriers to accessibility for differently-abled people.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act 2016? If so, provide a web-link to the policy.

Yes, <https://www.thermaxglobal.com/about-us/policies/>

5. Return to work and retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent Workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100 | 100 | NA* | NA |
| Female | 100 | 100 | NA | NA |
| Total | 100 | 100 | NA | NA |

*No permanent workers have availed parental leave during FY 2023-24.



6. (a) *Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.*

| | |
|--------------------------------|---|
| Permanent workers | <p>Yes, the mechanism to receive and redress grievances is in place. The Whistleblower Policy facilitates the reporting of protected disclosures to top-level management, including the chairperson, managing director, or the chair of the Audit Committee. This process is managed through distinct communication avenues, channelling grievances from different sources and addressing them to senior officials. Two specific email addresses have been assigned for this purpose to ensure written complaints can be directly submitted. The confidentiality of the whistleblower is strived for, and any retaliatory actions are not permitted.</p> <p>The organisation has put into place a Prevention of Sexual Harassment Policy, consistent with the directives of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. This policy is applicable to all individuals irrespective of their employment status and is supported by regular virtual training sessions to create awareness within the organisation.</p> <p>Moreover, a Code of Conduct equally applies to both employees and business partners. Ensuring adherence to this code, diverse training initiatives have been undertaken, encompassing all employees from varied business sectors and geographies. The Whistleblower Policy, however, does not include daily workers' grievances. For addressing these concerns, the Company organises town hall meetings, which provide a platform for employees to freely voice their troubles. Furthermore, several other platforms, including induction sessions and more town hall meetings, are available for employees to articulate their grievances.</p> |
| Other than Permanent workers | |
| Permanent employees | |
| Other than permanent employees | |

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|----------------------------------|--|--|---------|--|--|---------|
| | Total Employees/ Workers in Respective Category (A) | No. of Employees/ Workers in Respective Category, who are Part of Association(s) or Union (B) | % (B/A) | Total Employees/ Workers in Respective Category (C) | No. of Employees/ Workers in Respective Category, who are Part of Association(s) or Union (D) | % (D/C) |
| Total Permanent Employees | | | | | | |
| Male | - | - | - | - | - | - |
| Female | - | - | - | - | - | - |
| Total Permanent Workers | | | | | | |
| Male | 540 | 462 | 86 | 913 | 843 | 92 |
| Female | 2 | - | - | 2 | - | - |

8. **Details of training given to employees and workers:**

| Category | FY 2023-24 Current Financial Year | | | | | FY 2022-23 Previous Financial Year | | | | |
|---|-----------------------------------|----------------------------------|-----------|----------------------|-----------|------------------------------------|----------------------------------|-----------|----------------------|-----------|
| | Total (A) | On Health and Safety Measures | | On Skill Upgradation | | Total (D) | On Health and Safety Measures | | On Skill Upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees (Permanent + Other than Permanent) | | | | | | | | | | |
| Male | 6,667 | 4,021 | 60 | 4,004 | 60 | 6,280 | 4,621 | 74 | 1,007 | 16 |
| Female | 422 | 173 | 41 | 310 | 73 | 398 | 173 | 43 | 98 | 25 |
| Total | 7,089 | 4,194 | 59 | 4,314 | 60 | 6,678 | 4,794 | 72 | 1105 | 17 |
| Workers | | | | | | | | | | |
| Male | 18,757 | 17,332 | 92 | 340 | 2 | 16,790 | 14,952 | 89 | NA* | - |
| Female | 73 | 73 | 100 | 2 | 3 | 102 | 100 | 98 | NA* | - |
| Total | 18,830 | 17,405 | 92 | 342 | 2 | 16,892 | 15,052 | 89 | NA* | - |

*The data is not available but the workmen are covered under the wage settlement agreement where skill up gradation requirements are agreed.

9. Details of performance and career development reviews of employees and workers:

| Category | FY 2023-24 Current Financial Year | | | FY 2022-23 Current Financial Year | | |
|------------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|------------|
| | Total (A) | No. (B) | % (B/A) | Total (D) | No.(E) | % (E/D) |
| Employees | | | | | | |
| Male | 5,203 | 5,203 | 100 | 6,280 | 6,280 | 100 |
| Female | 350 | 350 | 100 | 398 | 398 | 100 |
| Total | 5,533 | 5,533 | 100 | 6,678 | 6,678 | 100 |
| Workers | | | | | | |
| Male | 540 | 390 | 72 | 913 | 47 | 5 |
| Female | 2 | 2 | 100 | 2 | - | - |
| Total | 542 | 392 | 72 | 915 | 47 | 5 |

10. Health and safety management system:

(a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

Yes, the Company has taken a systematic approach to safeguard the health and safety of its employees by implementing the ISO 45001:2018 Occupational Health and Safety Management System across its manufacturing, EPC (Engineering, Procurement, and Construction) and O&M (Operations & Maintenance) sites. This application aims at promoting a positive occupational health and safety (OHS) culture within the organisation.

By establishing standard operating procedures for every task, the organisation ensures that activities are carried out consistently and safely. In addition, contingency management protocols have been instituted, including conducting frequent mock drills, to increase preparedness and response to potential emergencies.

The organisation conducts regular training sessions about occupational health and safety procedures and preferred practices.

(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has adopted multiple methods for identifying potential and work-related risks to ensure a healthy and safe workplace. These methods include risk assessment, job safety analysis, health, safety, and environment (HSE) audits, site severity index rating, and daily site inspections, which are conducted regularly. Furthermore, an IT-enabled platform called 'Thermax OHSE' has been implemented. This platform is utilised by Thermax employees and workers for reporting any identified hazards. The platform also facilitates the monitoring and tracking of reported hazard resolution. Overall, these measures contribute to creating a safe and healthy environment for all personnel.

(c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

The organisation has instated safety protocols and health measures to ensure a safe and productive work environment. Recognising employees' active participation in safety, the Company has facilitated the provision for workers to report occupational hazards and provided stop work authority to every workman in case of imminent risk.

To enhance safety norms, the Company utilises a health, safety and environment (HSE) application for observing and reporting HSE conditions. This digital tool has improved the safety measures at our operational sites by substantially mitigating the associated risks.

Furthermore, the organisation has adopted new initiatives aimed at promoting a safety culture. One such measure is the introduction of a behaviour-based safety programme. Through this programme, the organisation encourages safe behaviour among employee activities, rectifies any inappropriate behaviour, and flags it for future reference. In addition to this, the organisation is progressively digitising HSE



management. This move aims at fostering a sense of accountability among employees and improving the transparency of our operations. To motivate and reward compliance with safety standards, the organisation has instituted a recognition system for individuals who demonstrate exemplary commitment to safety protocols. Simultaneously, a consequence management system has been structured to address any violations of the established safety protocols.

(d) Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes. Medical centres and first aid facilities are available for both employees and workers. The entity has implemented several measures diligently to ensure a secure and healthy environment for the workforce. The on-site medical facilities are easily accessible to all staff members. Additionally, first aid facilities are available across the organisation, prepared for immediate assistance in case of any emergencies or unforeseen medical conditions. This comprehensive healthcare infrastructure upholds the health and well-being of not just permanent employees but also temporary and contractual labour.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2023-24 Current Financial Year | FY 2022-23 Previous Financial Year |
|---|--|---|--|
| Lost time injury frequency rate (LTIFR) (per one million-person hours worked)# | Employees | - | 0.12 |
| | Workers (Including the contract workforce) | 0.55 | 0.17 |
| Total recordable work-related Injuries# | Employees | 3 | 5 |
| | Workers (Including the contract workforce) | 20 | 45 |
| No. of fatalities | Employees | - | - |
| | Workers (Including the contract workforce) | - | 2 |
| High consequence work-related injury or ill-health (excluding fatalities)* | Employees | - | - |
| | Workers (Including the contract workforce) | - | - |

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

The incidents that occurred at project sites i.e. Customer's premises are not included.

* The BRSR Core requires disclosure of "Number of Permanent Disabilities", however, it does not include the definition of 'Permanent Disabilities'. We, in the absence of any other guidance, have considered high consequence work-related injury or ill health, which results in an injury from which the employee/worker cannot or is not expected to recover fully to the previous health status, this does not include fatalities. There are no incidents resulting in permanent disabilities.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has incorporated protective measures to create a safe and healthy working environment. Ensuring well-being, safety, and security for all regular and contractual employees has been deemed to be a fundamental priority by the organisation.

The Organisation's Occupational Health, Safety, and Environmental (OHSE) Policy, authorised by the Managing Director and CEO, serves as a compulsory guideline for every individual employed by or representing Thermax Limited. The Company engages in the identification of hazards and the evaluation of risks and opportunities (HIARO) associated with every operation, implementing appropriate mitigating strategies in response. Standard operating procedures (SOPs) have been made uniformly accessible for all functional activities.

The Company is committed to providing regular Health, Safety, and Environment (HSE) training to all employees through developing e-learning modules covering diverse safety subjects. In compliance with statutory requirements, safety committees have been established and safety council meetings are organised regularly at respective work locations and business units.

Pre-employment medical fitness evaluations are a condition of hiring, ensuring that all employees and workers meet the health standards. Compliance with the health, safety and environment guidelines is affirmed by department heads and undergoes regular scrutiny. To monitor attentively, periodic safety audits and inspections focussed on high-risk sectors such as work at height, material handling, confined spaces, and electrical and fire

safety parameters are performed by cross-functional teams. If necessary, corrective actions are taken promptly to rectify any issues identified.

Safety is highlighted as the utmost priority during all Board meetings, creating a ripple effect that extends to every employee. Equal emphasis is placed on the safety of permanent, contractual, and temporary workers. The Company pledges to maintain these initiatives and explore further opportunities to solidify the safety measures for our workforce.

13. Number of complaints on the following made by employees and workers

| | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|--------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---------------------------------------|---------|
| | Filed during the Year | Pending Resolution at the End of Year | Remarks | Filed during the Year | Pending Resolution at the End of Year | Remarks |
| Working conditions | - | - | NA | - | - | NA |
| Health and safety | - | - | NA | - | - | NA |

Note: The Company has a mechanism to track complaints and the numbers are mentioned under respective heads in the report. There are no other complaints received during the year.

14. Assessments for the year

| | % of Your Plants and Offices that Were Assessed (by Entity or Statutory Authorities or Third Parties) |
|-----------------------------|---|
| Health and safety practices | No assessment was conducted by the statutory authority |
| Working conditions | No assessment was conducted by the statutory authority |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N), (B) Workers (Y/N)?

| | |
|-----------------|------|
| Employees (Y/N) | Yes |
| Workers (Y/N) | Yes* |

*Only permanent workers are considered. The Company has started extending the life insurance coverage to workers from January 2023 and other workers will be covered gradually. Currently, workers engaged at two manufacturing units are covered under the Death Benevolent Fund as a part of the wage settlement agreement.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

To ensure a safe and healthy work environment, the entity lays significant emphasis on strict adherence to relevant statutory provisions. This incorporates payment and deduction of mandatory dues, which are duly integrated within the contract agreement with all value chain partners. The Company ensures all clauses associated with legal compliance are meticulously validated and abided by all parties involved. Moreover, contractors are obligated to furnish supporting documentation for the payment of statutory dues, such as Provident Fund (PF) and Employee's State Insurance (ESIC) alongside their invoices. Additionally, the entity supervises vendors' Goods and Services Tax (GST) payments during the payment release process, further reinforcing its commitment to legal and regulatory compliance.



3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | Total no. of Affected Employees/Workers | | No. of Employees/Workers that are Rehabilitated and Placed in Suitable Employment or Whose Family Members Have Been Placed in Suitable Employment | |
|-----------|---|---|---|---|
| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
| Employees | - | - | - | - |
| Workers | - | - | - | - |

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicator

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company recognises the importance of identifying and engaging with various stakeholders to gain insight into their expectations and develop effective strategies. Key stakeholders, both internal and external, are identified based on their impact on the Company's operations and functioning. These include employees, shareholders, customers, investors, communities, suppliers, and vendors. Channels of communication have been established to facilitate open dialogue and understanding of issues that are critical to their respective interests. This enables us to create shared value and make a positive contribution to building a sustainable society.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether Identified as Vulnerable & Marginalised Group (Yes/No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of Engagement (Annually/ Half Yearly/Quarterly/ Others – Please Specify) | Purpose and Scope of Engagement including Key Topics and Concerns Raised during Such Engagement |
|-----------------------|--|--|--|---|
| Owners & shareholders | No | (1) Annual Report (2) Company website (3) Quarterly calls (4) Investor relationship meetings and AGM (5) Various publications (6) Stock exchange notifications (7) Newspapers (8) Emails (9) Stakeholders Relationship Committee (10) Investor Relations (11) Registrar & Transfer Agent | Quarterly/Half yearly | Purpose: (1) Continuously elevating corporate value (2) Delivering better returns on investments Concerns Raised: (1) Company's financial health (2) Effective risk controls (3) Fair business practices - Improved return on investment |
| Employees and workers | No | (1) Awards (2) Department meetings (3) Surveys (4) Town halls (5) Trainings (6) Workshops (7) Nomination & Remuneration Committee (8) Human Resource function | Continuous | Purpose: (1) Employee well-being (2) Functional and soft skill development (3) Structured learning (4) Talent attraction and retention Concerns Raised: (1) Career growth (2) Employee benefits (3) Performance management |

| Stakeholder Group | Whether Identified as Vulnerable & Marginalised Group (Yes/No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of Engagement (Annually/ Half Yearly/Quarterly/ Others – Please Specify) | Purpose and Scope of Engagement including Key Topics and Concerns Raised during Such Engagement |
|---------------------------------|--|---|--|---|
| Customers | No | (1) Advertisement campaigns (2) Brochures (3) Company website (4) Customer care (5) Customer meets (6) Customer satisfaction survey (7) Feedback forms - Fireside (in-house magazine) (8) Events and exhibitions (9) Emailers (10) Social media webinars | Continuous | Purpose: (1) Providing a comprehensive portfolio of products and solutions aligned with their evolving requirements Concerns Raised: (1) Quality (2) Responsiveness (3) Timely project completion (4) Engineering technique |
| Vendors and business partners | No | (1) Enquiries via telephone and e-mail (2) Periodic partner meets (3) Publications (4) Supplier surveys (5) Tendering and procurement | Continuous | Purpose: (1) Assessment and audit of suppliers (2) Aligning suppliers with environmental and supplier code of conduct (3) Conforming to quality and HSE (Health, Safety and Environment) Concerns Raised: (1) Purchase processes (2) Repeat orders (3) Timely payments |
| Government authorities | No | (1) Activities through business and industry groups (2) Industry associations (3) Participation in policy councils (4) Inspection (5) Report & return submission to the authorities | Continuous | Purpose: (1) Building businesses contributing to the development (2) Making mandatory and non-mandatory disclosures Concerns Raised: (1) Compliance with regulations (2) CSR reporting (3) ESG performance |
| Communities and academic groups | No | (1) CSR initiatives (2) Community development (3) Engaging with local authorities (4) Engaging with research institutes and premier universities | Continuous | Purpose: (1) Contributing to the well-being of local communities through social activities (2) Educational initiatives (3) Health and skill development (4) Research and development initiatives Concerns Raised: (1) Creating livelihoods (2) Developing community infrastructure (3) Improving living standards (4) Developing commercially viable solutions |



Leadership Indicator

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board?**

The Company's management frequently engages with its key stakeholders, including investors, customers, suppliers, and employees. Progress updates are provided to the Board, and their inputs are sought periodically. The Board of Directors are periodically updated on various topics, including industry overviews, customer service updates, digital initiatives, corporate social responsibility projects, financial performance, and strategy. Additionally, the directors are briefed on the regulatory environment, including significant regulatory developments, circulars, and amendments by bodies such as the Securities & Exchange Board of India and the Ministry of Corporate Affairs. Feedback from the Board is also collected to ensure alignment and collaboration.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company utilises materiality assessments to engage with stakeholders and priority issues related to economic, environmental, and social topics. In addition, the Company interacts with investors and analysts to gain an understanding of their expectations and incorporate them into the sustainability framework. This has led to the development of several initiatives focussed on responsible investing, equal opportunity, diversity and inclusion policies, privacy policies, human capital, environmental impact, and sustainability risk assessments.

- 3. Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/marginalised stakeholder groups.**

The Company places a strong emphasis on education for economically underprivileged children, with Thermax Foundation supporting two Akanksha Foundation schools in Pune through a public-private partnership. Additionally, Thermax Foundation provides support to Akanksha Foundation alumni through mentorship and guidance to pursue higher education and careers. In addition to education, the Company is also involved in addressing social discrimination through affirmative action, skill development, and employability initiatives. The Company's social arm, Thermax Foundation, also addresses complex health, safety, and environmental issues faced by disadvantaged, vulnerable, and marginalised stakeholders.

Principle 5: Businesses should respect and promote human rights

Essential Indicator

- 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2023-24 Current Financial Year | | | FY 2022-23 Previous Financial Year | | |
|------------------------|-----------------------------------|--------------------------------------|------------|------------------------------------|--------------------------------------|-----------|
| | Total (A) | No. of Employees/Workers Covered (B) | % (B/A) | Total (C) | No. of Employees/Workers Covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 3,255 | 3,255 | 100 | 3,497 | 707 | 20 |
| Other than permanent | 3,834 | 3,834 | 100 | 3,181 | 1,399 | 44 |
| Total Employees | 7,089 | 7,089 | 100 | 6,678 | 2,106 | 32 |
| Workers | | | | | | |
| Permanent | 542 | 542 | 100 | 915 | 915 | 100 |
| Other than permanent | 3,159 | Not Applicable* | | 15,977 | Not Applicable* | |
| Total Workers | 4,827 | 963 | 20 | 16,892 | 915 | 5 |

* For non-permanent workers or contractually employed personnel, the responsibility to provide training on the same aspects of human rights lies with their respective contractors. This unified approach ensures consistent understanding and adherence to the principles that underline a safe and respectful workplace.

As part of an ongoing commitment to uphold human rights, the entity has incorporated several measures into its operational activities to ensure a safe and healthy work environment. These include the ongoing implementation of the Human Rights Policy, the inclusion of human rights components into the entity's Code of Conduct, adherence to child labour laws, and the foundation of preventive policies against sexual harassment at the workplace.

To facilitate comprehension and awareness of these principles among the workforce, the entity has established a structured induction process for newly appointed employees and permanent workers. This introductory plan includes training and orientation sessions focussed on the aforementioned aspects of human rights in the workplace.

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2023-24 Current Financial Year | | | | FY 2022-23 Previous Financial Year | | | | | |
|-----------------------------|-----------------------------------|-----------------------|---------|------------------------|------------------------------------|-----------|-----------------------|---------|------------------------|---------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 2,572 | - | - | 2,572 | 100 | 3,230 | - | - | 3,230 | 100 |
| Female | 258 | - | - | 258 | 100 | 267 | - | - | 267 | 100 |
| Other than Permanent | | | | | | | | | | |
| Male | 2,631 | - | - | 2,631 | 100 | 3,050 | - | - | 3,050 | 100 |
| Female | 92 | - | - | 92 | 100 | 131 | - | - | 131 | 100 |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 540 | - | - | 540 | 100 | 913 | - | - | 913 | 100 |
| Female | 2 | - | - | 2 | 100 | 2 | - | - | 2 | 100 |
| Other than Permanent | | | | | | | | | | |
| Male | 2,269 | - | - | 2,269 | 100 | 15,977 | - | - | 15,977 | 100 |
| Female | 71 | - | - | 71 | 100 | - | - | - | - | - |

3. (a) Details of remuneration/salary/wages, median remuneration/wages:

| | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median Remuneration/Salary/Wages of the Respective Category | Number | Median Remuneration/Salary/Wages of the Respective Category |
| Board of Directors (BoD) | 10 | 30,05,000 | 2 | 42,50,000 |
| Key managerial personnel | 2 | 4,02,13,926 | 1 | 42,74,832 |
| Employees other than BoD and KMP | 2,501 | 10,12,320 | 271 | 8,10,107 |
| Permanent workers | 540 | 1,52,324 | 2 | 2,99,440 |
| Contractual workers | 3,086 | 2,61,332 | 123 | 43,479 |

(b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2023-24 | FY 2022-23# |
|---|------------|-------------|
| Gross wages paid to females as % of total wages | 6 | 6 |

Note : An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

The details pertaining to FY 22-23 are on a standalone basis.

4. Do you have a focal point (individual/committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes



5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Operating under COBEC (Code of Business Ethics & Conduct), POSH (Prevention of Sexual Harassment) and the Whistleblower Policy, the Company has established relevant committees to respond to a variety of work-related incidents.

Employees and stakeholders who have concerns or grievances have protected channels through which to report them, inclusive of but not limited to directly reaching out to the chairperson, the managing director, or the chairperson of the Audit Committee. The Company has established a clear procedure for receiving and directing grievances from different platforms towards the relevant parties. Furthermore, they adhere to strict confidentiality to protect whistleblowers from any form of retaliatory actions.

Thermax has also implemented the Prevention of Sexual Harassment Policy in accordance with the requisites put forth by the Sexual Harassment of Women at Workplace Act of 2013. This measure is all-inclusive, covering all employees, irrespective of their employment status being permanent, contractual, temporary or trainees. The Company conducts periodic awareness sessions.

Lastly, with the Company-wide adoption of COBEC, Thermax mandates the adherence to a specific set of business ethics and conduct, applicable across all its employees and business associates. This has been complemented by a slew of training programmes, aimed at reaching all business divisions and regions that have taken place since the instatement of COBEC.

6. Number of complaints on the following made by employees and workers:

| | FY 2023-24 Current Financial Year | | | FY 2022-23 Previous Financial Year | | |
|-----------------------------------|-----------------------------------|---------------------------------------|-----------------------|------------------------------------|---------------------------------------|-----------------------|
| | Filed during the Year | Pending Resolution at the End of Year | Remarks | Filed during the Year | Pending Resolution at the End of Year | Remarks |
| Sexual harassment | 1 | - | Compliant is resolved | - | - | No compliant received |
| Discrimination at workplace | - | - | No compliant received | - | - | No compliant received |
| Child labour | - | - | No compliant received | - | - | No compliant received |
| Forced labour/Involuntary labour | - | - | No compliant received | - | - | No compliant received |
| Wages | - | - | No compliant received | - | - | No compliant received |
| Other human rights related issues | - | - | No compliant received | - | - | No compliant received |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Total complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 (POSH) | 1 | NIL |
| Complaints on POSH as a % of female employees/workers | 0.24 | NIL |
| Complaints on POSH upheld | 1 | NIL |

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company believes in upholding fairness and meritocracy through a policy framework that strictly adheres to non-discriminatory practices and provides equal opportunities to all individuals regardless of their gender, religion, caste, race, age, community, physical ability or sexual orientation. To achieve this, the Company has implemented various policies such as the Code of Conduct, Prevention of Sexual Harassment, Rights of Persons

with Disabilities, etc. These policies ensure a robust grievance redressal process and establish clear employee responsibilities and acceptable conduct. By upholding these policies, the Company promotes a diverse and inclusive culture in the workplace.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

| | % of Your Plants and Offices that Were Assessed (by Entity or Statutory Authorities or Third Parties) |
|-----------------------------|--|
| Child labour | 100 |
| Forced/involuntary labour | 100 |
| Sexual harassment | 100 |
| Discrimination at workplace | 100 |
| Wages | 100 |

Internal Assessment carried out by Thermax Limited at its Plants & offices.

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicator

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The organisation has implemented several robust policies and mechanisms to ascertain a secure and wholesome work environment. These include COBEC, POSH, Whistleblower, and Equal Opportunity Policy to meticulously manage and address human rights grievances. These frameworks are potent tools to handle any incidents that may impact employees. However, at this stage, no alteration or introduction of business processes has taken place. Through this comprehensive approach, the organisation strictly adheres to maintaining an office environment that respects human rights and promotes well-being.

2. Details of the scope and coverage of any human rights due diligence conducted.

The human rights aspects are covered under various laws like the prevention of sexual harassment at the workplace, child labour law, equal opportunity policy etc. The Company ensures that human rights aspects are strictly adhered to by following the applicable laws.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act 2016?

The Company is working towards improving infrastructure for eliminating barriers to accessibility for differently-abled people.

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicator

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|--|---|
| From Renewable Sources in Gigajoule | | |
| Total electricity consumption (A) | 21, 295 | 11,481 |
| Total fuel consumption (B) | 54,998 | 4,428 |
| Energy consumption through other sources (C) | - | - |
| Total energy consumed from renewable sources (A+B+C) | 76,293 | 15,909 |



| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|---|--|
| From Non-renewable Sources in Gigajoule | | |
| Total electricity consumption (D) | 66,938 | 1,09,223 |
| Total fuel consumption (E) | 1,18,836 | 1,78,367 |
| Energy consumption through other sources (F) | - | 15,187 |
| Total energy consumed from non-renewable sources (D+E+F) | 1,85,774 | 3,02,777 |
| Total energy consumed (A+B+C+D+E+F) | 2,62,067 | 3,18,686 |
| Energy intensity per rupee of turnover (Total energy consumption/revenue from operations) | 0.00000450 | 0.00000411 |
| Energy Intensity per rupee of turnover adjusted for purchasing power parity (PPP)* (Total energy consumed/Revenue from operations adjusted for PPP) | 0.00009435 | 0.00008613 |
| Energy intensity in terms of physical output [#] | | |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name the external agency.

Yes, An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the World Bank for India which is 20.96.

[#] Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Energy Intensity.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|---|--|
| Water Withdrawal by Source (in Kilolitres) | | |
| (i) Surface water | 1,25,352 | 1,46,432 |
| (ii) Groundwater | - | - |
| (iii) Third party water | 5,82,190 | 6,40,194 |
| (iv) Seawater/desalinated water | - | - |
| (v) Others (Rain water & recycled water)* | 32,362 | 23,178 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 7,39,304 | 8,09,804 |
| Total volume of water consumption (in kilolitres) | 3,88,849 | 5,31,167 |
| Water intensity per rupee of turnover (Total water consumption/revenue from operations) | 0.00000668 | 0.00000685 |
| Water intensity per rupee of turnover adjusted for purchasing power parity (PPP) (Total water consumption/revenue from operations adjusted for PPP) [#] | 0.00013999 | 0.00014355 |
| Water intensity in terms of physical output [#] | | |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name the external agency.

Yes, An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

* The rainwater consumption for Jhagadia, Sricity & Solapur units, are estimated based on the capacity of water pits for storage of rainwater.

[#]The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the World Bank for India which is 20.96.

[#]Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Water Intensity.

4. Provide the following details related to water discharged:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|-----------------|-----------------|
| Water Discharged by Destination and Level of Treatment (in Kilolitres) | | |
| (i) To surface water | - | - |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (ii) To groundwater | - | - |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (iii) To seawater | 3,49,342 | 2,74,771 |
| No treatment | - | - |
| With treatment – Tertiary Treatment | 3,49,342 | 2,74,771 |
| (iv) Sent to third-parties | 1,713 | 3,666 |
| No treatment | 1,713 | 3,666 |
| With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| Total water discharged (in kilolitres) | 3,51,055 | 2,78,437 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name the external agency.

Yes, An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

5. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

5 plants (Chinchwad, Bhosari, Savli, Solapur, Paudh) have zero liquid discharge.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please Specify Unit Tonnes Per Annum | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| NOx | T/Y | 248 | 351 |
| SOx | T/Y | 205 | 111 |
| Particulate matter (PM) | T/Y | 868 | 991 |
| Persistent organic pollutants (POP) | | Not Applicable | Not Applicable |
| Volatile organic compounds (VOC) | T/Y | 94 | 161 |
| Hazardous air pollutants (HAP) | | Not Applicable | Not Applicable |
| Others – please specify | | | |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name the external agency.

No.



7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|---|---|--|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO ₂ equivalent | 14,998 | 12,180 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO ₂ equivalent | 13,312 | 24,037 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/revenue from operations) | | 0.00000049 | 0.00000047 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted or purchasing power parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/revenue from operations adjusted for PPP)* | | 0.00001019 | 0.00000976 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output# | | | |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name the external agency.

Yes, An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the World Bank for India which is 20.96.

#Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of Scope 1 and Scope 2 emission Intensity.

8. Does the entity have any project related to reducing greenhouse gas emissions? If yes, then provide details.

The Company has been proactively implementing operational efficiency initiatives and renewable energy projects to minimise its carbon footprint and promote a sustainable future. Throughout the year, the Company has undertaken several measures aimed at conserving energy and resources, including:

- Electricity:** Thermax has effectively executed multiple operational efficiency projects at its manufacturing plants. These include addressing compressor leakages, installing variable frequency drives (VFD) on various equipment, deploying motion sensors to prevent unnecessary usage, optimising operations of effluent treatment plant (ETP) blowers, substituting cooling water pumps with energy-efficient alternatives at process cooling towers, and implementing LED lighting in workshops. These initiatives have not only resulted in reduced energy consumption and greenhouse gas emissions for Thermax but have also enhanced operational efficiency and lowered costs.
- Fuel:** Thermax is actively enhancing operational efficiency and minimising its carbon footprint through strategic projects. For instance, at the Paudh plant, measures have been implemented to optimise boiler operations. These efforts have led to a significant reduction of 133.91 metric tonnes in furnace oil (LHS oil) consumption, while at the Dahej plant, Thermax has transitioned to biomass from natural gas, resulting into saving of natural gas. These projects have resulted in cost savings and substantial environmental benefits.

Thermax is actively implementing initiatives to increase the utilisation of renewable energy sources. The Company has procured 34.34 lakh units of renewable energy through an open access mechanism. The Company has installed a 297 kWp capacity solar PV project at Solapur and a 370 kWp solar rooftop capacity at the Bhosari Plant. The Bhosari plant will commence power generation from the next financial year.

Moreover, Thermax has generated 24.81 lakh units from a Solar Power, combined capacity of 2.83 MWp across its plants in Savli, Jhagadia, Sri City, Solapur, and Pune offices, showcasing a strong commitment to adopting renewable energy for its operations.

Overall, the Company has consumed a total of 59.15 lakh units of renewable power this year, demonstrating significant efforts to reduce its environmental impact through renewable energy adoption. The Company's overall commitment to sustainability and reducing its carbon footprint is evident through its various efforts.

9. Provide details related to waste management by the entity, in the following format

*in metric tonnes

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|--|
| Total waste generated (in metric tonnes) | | |
| Plastic waste (A) | 148 | 86 |
| E-waste (B) | 7 | 7 |
| Bio-medical waste (C) | 0** | 0** |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | - | 4 |
| Radioactive waste (F) | - | - |
| Other hazardous waste. Please specify, if any. (G) | 12,780 | 9,606 |
| Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 3,543 | 6,378 |
| Total (A+B + C + D + E + F + G+ H)^ | 16,479 | 16,081 |
| Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) | 0.00000028 | 0.00000021 |
| Waste intensity per rupee of turnover adjusted for purchasing power parity (PPP)*. (Total waste generated/revenue from operations adjusted for PPP) | 0.00000593 | 0.00004744 |
| Waste intensity in terms of physical output# | | |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 3,912 | 6,615 |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | - | - |
| Total | 3,912 | 6,615 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration (Including Co-processing) [§] | 11,380 | 8,526 |
| (ii) Landfilling | 1,186 | 940 |
| (iii) Other disposal operations | - | - |
| Total | 12,565 | 9,466 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name the external agency.

Yes, An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the World Bank for India which is 20.96.

**Bio-medical Waste - 0.03 for FY 23-24 and 0.02 for FY 22-23

#Due to the diverse nature of the business operations and products/services of the Company, it is not feasible to determine the physical output for the calculation of waste Intensity.

^Waste is accounted for at the time of disposal and therefore waste disposed has been considered as waste generated.

§The previous year's Co-processing waste has been re-classified to Incineration.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has eliminated single-use plastics (SUP) throughout our manufacturing operations, resulting in the elimination of 1,307 kg of SUP during the year. The Company has transformed every aspect of our plants, from offices to shop floors, canteens, and pantries, into SUP-free zones. This effort has earned us the SUP-free certification from CII, recognising the commitment of Company's manufacturing locations (Savli, Dahej, Sri City, Jhagadia, Paudh, and Chinchwad) to sustainable practices.



11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

| S. No. | Location of Operations/ Offices | Type of Operations | Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any |
|--------|---------------------------------|--------------------|--|
| NIL | NIL | NIL | NIL |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and Brief Details of Project | EIA Notification No. | Date | Whether Conducted by Independent External Agency (Yes/No) | Results Communicated in Public Domain (Yes/No) | Relevant Web-link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| NIL | | | | | |

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the Law/Regulation/ Guidelines which Was Not Complied with | Provide Details of the Non-compliance | Any Fines/Penalties/Action Taken by Regulatory Agencies such as Pollution Control Boards or by Courts | Corrective Action Taken, if Any |
|--------|--|---------------------------------------|---|---------------------------------|
| NIL | | | | |

Leadership Indicator

1. **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres).**

For each facility/plant located in areas of water stress, provide the following information:

- Name of the area – Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Kolkata, Lucknow and Delhi
- Nature of operations – Regional Offices
- Water withdrawal, consumption, and discharge in the following format:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|---|--|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | - | Not Available |
| (ii) Groundwater | - | Not Available |
| (iii) Third party water | 1,223 | Not Available |
| (iv) Seawater/desalinated water | - | Not Available |
| (v) Others | - | Not Available |
| Total volume of water withdrawal (in kilolitres) | 1,223 | Not Available |
| Water intensity per rupee of turnover (water consumed/turnover) | 0.00000002 | Not Available |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | Not Available |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) Into surface water | - | Not Available |
| - No treatment | - | Not Available |
| - With treatment – please specify the level of treatment | - | Not Available |
| (ii) Into groundwater | - | Not Available |
| - No treatment | - | Not Available |
| - With treatment – please specify the level of treatment | - | Not Available |

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|--|---|--|
| (iii) Into seawater | - | Not Available |
| - No treatment | - | Not Available |
| - With treatment – please specify the level of treatment | - | Not Available |
| (iv) Sent to third-parties | - | Not Available |
| - No treatment | - | Not Available |
| - With treatment – please specify the level of treatment | - | Not Available |
| (v) Others | - | Not Available |
| - No treatment | - | Not Available |
| - With treatment – please specify the level of treatment | - | Not Available |
| Total water discharged (in kilolitres) | - | Not Available |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name the external agency.

No.

2. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| S. No. | Initiative Undertaken | Details of the Initiative (Web-link, if Any, May Be Provided Along with Summary) | Outcome of the Initiative |
|--------|---|---|--|
| 1 | At Dahej, the co-processing of waste for energy purposes | Diverting effluent treatment plant (ETP) waste towards co-processing in the cement industry. This not only reduces landfill waste but also eliminates any potentially harmful substances from polluting the environment, offering a safer working space for its employees. The entity has been successful in its efforts, as reflected in the total recycling of 2,010 metric tonnes of landfill waste through co-processing. | Diversion of waste from landfill Resource conservation |
| 2 | At Dahej, reduction in freshwater consumption in the ETP process | Reduction of freshwater consumption in the ETP process by using treated water for the preparation of ETP chemicals | Resource conservation Reduction in pollution |
| 3 | Recycling of paint sludge at Chinchwad | Diversion of hazardous paint waste going for incineration to recycling for making powder from paint sludge. | Resource recovery by eliminating incineration |
| 4 | At Paudh, Chinchwad, Savli, Sri City, Dahej, Jhagadia, eliminated single-use plastic from plant | Elimination of single-use plastic from the plants | Reduced plastic pollution and received certification from CII and reduced SUP 1.307 MT collectively from the plants mentioned. |
| 5 | Solapur plant achieves water positive certification: | In a resounding victory for sustainability, the Solapur plant has achieved Water Positive Certification, attaining a remarkable water positive index of 6.59. This achievement stands as a testament to the plant's unwavering commitment to environmental stewardship and responsible resource management | Solapur plant has achieved Water Positive Certification, attaining a remarkable water positive index of 6.59 |

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has a focussed policy framework on Business Continuity & Disaster Recovery Management wherein Thermax's management, business heads, and other senior executives, commit to implementing and managing Business Continuity Plan (BCP) and Disaster Recovery (DR) processes for their respective key applications and infrastructure. Detailed recovery procedures are documented and maintained for implemented recovery strategies. Periodic tests/disaster recovery drills are planned to ensure that business continuity is viable, effective, and meets the recovery objective as appropriate.



6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No such adverse impact related to the environment found during assessment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

50% sustainable sourced/value chain assessed via Thermax standard Sustainable Supply Chain Management (SSCM) check sheet on environment.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicator

1. (a) Number of affiliations with trade and industry chambers/associations:

4

(b) List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

| S. No. | Name of the Trade and Industry Chambers/Associations | Reach of Trade and Industry Chambers/Associations (State/National) |
|--------|--|--|
| 1 | CI's National Committee for Capital Goods & Engineering | National |
| 2 | Mahratta Chamber of Commerce, Industries and Agriculture | State |
| 3 | Boilers and Pressure Vessels Sectional Committee, MED01, BIS | National |
| 4 | National Safety Council | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of Authority | Brief of the Case | Corrective Action Taken |
|-------------------|-------------------|-------------------------|
| Not Applicable | Not Applicable | Not Applicable |

Nil. There is no litigation filed/pending or completed against Thermax Limited regarding any anti-competitive behaviour and violations of anti-trust provisions under the Competition Act 2002.

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicator

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and Brief of Project | SIA Notification No. | Date of Notification | Whether Conducted by Independent External Agency (Yes/No) | Result Communicated in Public Domain (Yes/No) | Relevant Web Link |
|---|----------------------|----------------------|---|---|-------------------|
| No such project was initiated which requires social impact assessment | | | | | |

Note: The Company has undertaken various projects across the states. The site premise belongs to the customer where SIA was conducted. Those details are not covered.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| Name of Project which R&R is Ongoing | State | District | No of Project Affected Families (PAFs) | % of PAFs Covered by R&R | Amount Paid to PAFs in the FY (In Rs.) |
|---|-------|----------|--|--------------------------|--|
| No rehabilitation and resettlement were undertaken by the entity during this reporting period | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

Any community member can raise a complaint on Company’s toll-free number and email address provided on the Company’s website which is monitored, addressed, and a proper record is maintained under the Whistleblower Policy.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2023-24 | FY 2022-23# |
|---|------------|-------------|
| Directly sourced from MSMEs/small producers | 59 | 47 |
| Directly from within India | 95 | 94 |

Note : An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

The details pertaining to FY 2022-23 are on a standalone basis.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorised as per RBI classification system - rural/semi-urban/urban/metropolitan)

| Location | FY 2023-24 | FY 2022-23# |
|--------------|------------|-------------|
| Rural | 10 | 26 |
| Semi-urban | 2 | 3 |
| Urban | 1 | 1 |
| Metropolitan | 87 | 70 |

Note An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180

The details pertaining to FY 2022-23 are on a standalone basis.

For the purpose of categorisation of people employed at locations into rural/semi-urban/urban/metropolitan, the following mechanism has been adopted along with RBI classification system:

- (a) Metropolitan cities considered are Pune, Chennai, Bangalore, Mumbai, Hyderabad, Ahmedabad, Chandigarh, Kolkata, Solapur, Bharuch, Chinchwad, Bhubaneshwar, Lucknow.
- (b) All manufacturing locations (plants) are mapped basis their respective actual addresses.

Leadership Indicator

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of Negative Social Impact Identified | Corrective Action Taken |
|--|-------------------------|
| Not Applicable | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount Spent (in Rs.) |
|--------|-----------|-----------------------|-----------------------|
| 1 | Rajasthan | Sirohi | 3,50,000 |



3. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project | No of Persons Benefitted from CSR Project | % of Beneficiaries from Vulnerable and Marginalised Group |
|--------|--|---|---|
| 1 | School Project - Thermax Foundation (TF) funds two Pune Municipal Corporation (PMC) Schools run by NGO Akanksha Foundation through public-private partnership (PPP). Through this project, students from underprivileged economic families receive access to quality education. | 1,812 | 100% |
| 2 | Alumni Project - TF supports the alumni from Akanksha Foundation as well as another NGO iTeach to continue higher education after school. Since most of the students are first-generation learners, through alumni projects they receive career guidance, academic mentoring and support for junior college enrolment. | 3,987 | 100% |
| 3 | Skill Building - TF supports (based on identified need) the community youth from villages near Thermax factories, who have dropped out from education after class 10 th to develop skills, and take on roles like electrician, data entry operator. The NGO partner provides training and placement to a minimum of 75% among them in nearby companies. | 810 | 100% |

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The organisation has initiated several measures to guarantee a secure and healthy working environment. These measures include the establishment of a system to receive customer complaints and feedback, which is managed via diverse modes such as email, transmittal letters and verbal conversations. Complaints that come through Thermax Channel Associates (TCAs) are diligently registered on Salesforce.com (SFDC), where they are reviewed by our dedicated service team. The team also records the corresponding resolutions in SFDC. In scenarios where the complaints are directly received from customers by our Customer Relationship Centre (CRC), they are immediately sent to the respective teams for relevant action. Monitoring customer complaints through Salesforce.com allows us to enhance our efficiency and responsiveness, while effectively identifying and addressing recurring issues. Hence, this strategy contributes significantly to ensuring a safe and healthy work environment as it effectively manages potential sources of stress and dissatisfaction.

2. Turnover of products and services as a percentage of turnover from all products/service that carry information about:

| As a Percentage to Total Turnover | |
|---|--|
| Environmental and social parameters relevant to the product | All the products of the Company contain relevant information as required under applicable laws |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

3. Number of consumer complaints in respect of the following:

| | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|--------------|-------------------------------------|---|-------------------------------------|--------------------------------------|---|-------------------------------------|
| | Received during the Year | Pending Resolution at the End of the Year | Remarks | Received during the Year | Pending Resolution at the End of the Year | Remarks |
| Data privacy | - | - | No complaint received in FY 2023-24 | - | - | No complaint received in FY 2023-24 |
| Advertising | - | - | No complaint received in FY 2023-24 | - | - | No complaint received in FY 2023-24 |

| | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|--------------------------------|-------------------------------------|---|-------------------------------------|--------------------------------------|---|-------------------------------------|
| | Received during the Year | Pending Resolution at the End of the Year | Remarks | Received during the Year | Pending Resolution at the End of the Year | Remarks |
| Cyber security | - | - | No complaint received in FY 2023-24 | - | - | No complaint received in FY 2023-24 |
| Delivery of essential services | - | - | No complaint received in FY 2023-24 | - | - | No complaint received in FY 2023-24 |
| Restrictive trade practices | - | - | No complaint received in FY 2023-24 | - | - | No complaint received in FY 2023-24 |
| Unfair trade practices | - | - | No complaint received in FY 2023-24 | - | - | No complaint received in FY 2023-24 |
| Other | - | - | No complaint received in FY 2023-24 | - | - | No complaint received in FY 2023-24 |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for Recall |
|-------------------|--------|--------------------|
| Voluntary recalls | - | NA |
| Forced recalls | - | NA |

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company regularly provides training on security awareness to its employees. Unused information is archived and purged according to the Company's Data Retention Policy. Role-specific access to IT equipment is created and controlled. Implementation of identity and access management through single sign-on and multi-factor authentication is underway. Servers and databases for all hosted applications are currently being upgraded for high availability. The Company regularly tests its disaster recovery plan for critical applications. The cyber security and risk-related policy is published on the intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable

7. Provide the following information relating to data breaches:

- (a) Percentage of data breaches involving personally identifiable information of customers: Nil
- (b) Impact, if any, of the data breaches: Nil
- (c) Impact, if any, of the data breaches: Nil

Note: An independent assurance has been carried out by Price Waterhouse Chartered Accountants LLP on the FY 2023-24 indicators in the table above. Please find the assurance report on page no. 180



Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web-link, if available).

The details of the product and services are available on <https://www.thermaxglobal.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company's tech-enabled assets/products drive operational efficiency and sustainable growth for its customers. Additionally, the Company places a strong emphasis on educating the customers through product manual/e-manual about the responsible usage of its products and services.

Independent Practitioner’s Limited Assurance Report on Identified Sustainability Information in Thermax Limited’s Business Responsibility and Sustainability Report pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Thermax Limited

We have undertaken to perform a limited assurance engagement for Thermax Limited (the “Company”) vide our Engagement Letter dated May 6, 2024 in respect of the agreed Sustainability Information referred in “Identified Sustainability Information” paragraph below (the “Identified Sustainability Information”) in accordance with the Criteria stated in the “Criteria” paragraph below. The Identified Sustainability Information is included in the Business Responsibility and Sustainability Report (“BRSR”) Section of the Integrated Report of the Company for the financial year ended March 31, 2024, pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the “LODR Regulations”). The Reporting Boundary for BRSR is on a standalone basis as disclosed under Question No. 13 of Section A of the BRSR. This engagement was conducted by a team comprising assurance practitioners and environment experts.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2024, is summarised in Appendix 1 to this report.

Our limited assurance engagement was with respect to the financial year ended March 31, 2024 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR (other than those listed as BRSR Core Key Performance Indicators (‘KPIs’) in Appendix 1) and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is the “BRSR Core” as detailed in Appendix 1 to this report (the “Criteria”), which is a subset of the BRSR, consisting of a set of KPIs / metrics under nine Environmental, Social and Governance (“ESG”) attributes, as specified by SEBI vide its circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 (the “SEBI Circular”).

Management’s Responsibilities

The Company’s Management is responsible for determining the Reporting Boundary of the BRSR,

selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations including the SEBI Circular, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Company are also responsible for overseeing the Company’s compliance with the requirements of LODR Regulations and the SEBI Circular in relation to the BRSR Core.

Inherent Limitations in Preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas (“GHG”) quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) and the International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Price Waterhouse Chartered Accountants LLP (the “Firm”) applies Standard on Quality Control 1, “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements”, the International Standard on Quality Management (“ISQM”) 1 “Quality Management for Firms that perform Audits or Reviews of Financials



Statements, or Other Assurance or Related Services Engagements” and ISQM 2 “Engagement Quality reviews”, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner’s Responsibilities

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements (“SSAE”) 3000, “Assurance Engagements on Sustainability Information” and the Standard on Assurance Engagements (“SAE”) 3410, “Assurance Engagements on Greenhouse Gas Statements”, both issued by the Sustainability Reporting Standards Board of the ICAI and the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and the ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements”, both issued by the International Auditing and Assurance Standards Board (collectively referred to as “the Standards”). These Standards require that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company’s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the Identified Sustainability Information;
- Made enquiries of Company’s Management, including the various teams such as Sustainability team, Human Resource team, etc., and those with responsibility for managing standalone BRSR;
- Obtained an understanding and performed an evaluation of the key systems and processes for managing, recording and reporting on the Identified Sustainability Information as per Appendix 1 including at the sites and corporate office visited. This did not include testing of the design and operating effectiveness of management systems and controls;
- Checked the consolidation for various plants and corporate office under the reporting boundary (as mentioned in the BRSR) for ensuring the completeness of data being reported;
- Based on above understanding, the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing and extent of further procedures;
- Performed limited substantive testing on a sample basis of the Identified Sustainability Information at corporate office, and 2 plants located at Dahej and Pune to check that data had been appropriately measured with underlying documents recorded, collated and reported;
- Reviewed records and performed testing including recalculation of sample data to establish an assurance trail;
- Where applicable for the Identified Sustainability Information in the BRSR, we have relied on the information in the audited standalone financial statements of the Company for the year ended March 31, 2024, which were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 10, 2024, expressed an unmodified opinion on those standalone financial statements;
- Assessed the level of adherence to the BRSR followed in preparing the Integrated Report, which includes the BRSR;
- Assessed the BRSR for detecting, on a test basis, any major anomalies between the information reported in the BRSR on performance with respect to the Identified

Sustainability Information and relevant source data/information;

- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the Management in the preparation of the Identified Sustainable Information; and
- Obtained representations from the Company's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Information have been prepared, in all material respects, in accordance with the Criteria.

Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1;
- Aspects of the BRSR and data/information (qualitative or quantitative) included in the BRSR, other than the Identified Sustainability Information;
- Data and information outside the defined reporting period i.e., the financial year ended March 31, 2024; and
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes

us to believe that the Company's Identified Sustainability Information summarised in Appendix 1 to this report and included in the BRSR, for the financial year ended March 31, 2024 is not prepared, in all material respects, in accordance with the Criteria.

Other Matter

The BRSR section of the Integrated Report of the Company includes certain information pertaining to the financial year ended March 31, 2023 prepared on a consolidated basis (unless otherwise stated), which is not comparable with current year information and is not audited or reviewed.

Restriction on Use

Our work was performed solely to assist you in meeting the reporting requirements. This deliverable has been issued solely at the request of the Board of Directors of the Company to whom it is addressed, solely for reporting the Company's sustainability performance and activities and for publishing the same as a part of the BRSR forming part of the Company's Integrated Report. Accordingly, we accept no liability to anyone, other than the Company. Our deliverable should not be used for any other purpose or by any person other than the addressees of our deliverable. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Sumit Seth

Partner

Membership Number: 105869

UDIN: 24105869BKFWUO3134

Place: Mumbai

Date: July 5, 2024



Appendix 1

List of BRSR Core KPIs

| Sr. No. | Principle and indicator reference* | Attribute | Parameters (KPIs) |
|---------|--|--|--|
| 1. | Principle 6 – E7 | Green-house gas (GHG) footprint | <ol style="list-style-type: none"> Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) Total Scope 2 emissions (Break-up of the GHG (CO₂e) into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) GHG Emission Intensity (Scope 1 +2) <ol style="list-style-type: none"> Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP |
| 2. | Principle 6 – E3 and E4 | Water footprint | <ol style="list-style-type: none"> Total water consumption Water consumption intensity <ol style="list-style-type: none"> Water Intensity per rupee of turnover adjusted for PPP Water Discharge by destination and levels of Treatment |
| 3. | Principle 6 – E1 | Energy Footprint | <ol style="list-style-type: none"> Total Energy Consumed % of energy consumed from renewable sources Energy intensity <ol style="list-style-type: none"> Energy Intensity per rupee of turnover adjusted for PPP |
| 4. | Principle 6 – E9 | Embracing circularity- details related to waste management by the entity | <ol style="list-style-type: none"> Plastic waste (A) E-waste (B) Bio-medical waste (C) Construction and demolition waste (D) Battery waste (E) Radioactive waste (F) Other Hazardous waste. Please specify, if any. (G) Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) Total waste generated ((A+B + C + D + E + F + G + H) Waste intensity <ol style="list-style-type: none"> Waste Intensity per rupee of turnover adjusted for PPP Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations For each category of waste generated, total waste disposed by nature of disposal method |
| 5. | Principle 3 – E1(C) Principle 3 – E11 | Enhancing employee wellbeing and Safety | <ol style="list-style-type: none"> Spending on measures towards well-being of employees and workers- cost incurred as a % of total revenue of the company Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites) <ol style="list-style-type: none"> Number of Permanent Disabilities Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) No. of fatalities |
| 6. | Principle 5 – E3(b) Principle 5 – E7 | Enabling Gender Diversity in Business | <ol style="list-style-type: none"> Gross wages paid to females as a % of wages paid Complaints related to POSH <ol style="list-style-type: none"> Total Complaints on Sexual Harassment (POSH) reported. Complaints on POSH as a % of female employees / workers Complaints on POSH upheld |
| 7. | Principle 8 – E4 Principle 8 – E5 | Enabling Inclusive Development | <ol style="list-style-type: none"> Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost |

| Sr. No. | Principle and indicator reference* | Attribute | Parameters (KPIs) |
|---------|--------------------------------------|---|---|
| 8. | Principle 9 – E7 Principle 1 – E8 | Fairness in Engaging with Customers and Suppliers | <ol style="list-style-type: none"> 1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events 2. Number of days of accounts payable |
| 9. | Principle 1 – E9 | Open-ness of business | <ol style="list-style-type: none"> 1. Concentration of purchases & sales done with trading houses, dealers, and related parties <ol style="list-style-type: none"> a) Purchases from trading houses as % of total purchases b) Number of trading houses where purchases are made from. c) Purchases from top 10 trading houses as % of total purchases from trading houses d) Sales to dealers / distributors as % of total sales e) Number of dealers / distributors to whom sales are made. f) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors. 2. Loans and advances & investments with related parties <ol style="list-style-type: none"> a) Purchases b) Sales c) Loans & advances d) Investments |

*'E' indicates Essential Indicator



Annexure-3 to the Directors' Report

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & 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

(i) Steps Taken for Conservation of Energy

Thermax, a prominent provider of energy and environmental solutions, has made substantial progress towards fulfilling its commitment to decarbonisation. The Company has been proactively implementing operational efficiency initiatives and renewable energy projects to minimise its carbon footprint and promote a sustainable future. Throughout the year, Thermax has undertaken several measures aimed at conserving energy and resources, including:

a. Electricity

Thermax has effectively executed multiple operational efficiency projects at its manufacturing plants. These include addressing compressor leakages, installing Variable Frequency Drives (VFD) on various equipment, deploying motion sensors to prevent unnecessary usage, optimising operations of effluent treatment plant (ETP) blowers, substituting cooling water pumps with energy-efficient alternatives at process cooling towers, and implementing LED lighting in workshops. These initiatives have not only resulted in reduced energy consumption and greenhouse gas emissions for Thermax but have also enhanced operational efficiency and lowered costs.

b. Fuel

Thermax is actively enhancing operational efficiency and minimising its carbon footprint through strategic projects. For instance, at the Paudh plant, measures have been implemented to optimise boiler operations. These efforts have led to a significant reduction of 62.15 metric tonnes in furnace oil (LHS oil) consumption, while at the Dahej plant, Thermax is transitioned to biomass from natural gas resulted into saving of natural gas. These projects have resulted in cost savings and substantial environmental benefits.

c. Water

Thermax has implemented several initiatives, such as conducting water audits through third-party agencies, with the goal of reducing water consumption, conserving water, and minimising losses at its domestic manufacturing sites. These efforts focus on maximising the recycling and reuse of wastewater, implementing rainwater harvesting, and evaluating measures to reduce water usage and achieve water neutrality. During the year, the Solapur plant was certified by a third party for achieving a Water Positive Index, with a surplus of 6.59% compared to its water withdrawal source.

At the Chinchwad, Savli, Paudh, Solapur, Shirwal, and Dahej factories, Thermax's water conservation endeavours have yielded impressive results, saving a total of 261,227 cubic metres of water during the year.

(ii) Steps Taken by the Company for Utilising Alternate Sources of Energy

The Company is actively implementing initiatives to increase the utilisation of renewable energy sources. The Company has procured 58.84 lakh units of renewable energy through open access mechanism. The Company has installed 297 kWp capacity solar PV project at Solapur and 370 kWp solar rooftop capacity at Bhosari plant, Pune. The Bhosari plant will commence generation from the next financial year.

Moreover, Thermax has generated 24.81 lakh units from a combined capacity of 2.83 MWp across its plants in Savli, Jhagadia, Sri City, Solapur and Pune offices, showcasing a strong commitment to adopting renewable energy for its operations.

Overall, Thermax has consumed a total of 83.65 lakh units of renewable power this year, demonstrating significant efforts to reduce its environmental impact through renewable energy adoption.

(iii) Capital Investment on Energy Conservation Equipment

The Company has spent Rs. 11.35 crore (Rs. 4.1 crore for FY 2022-23) as capital expenditure on carbon reduction projects for FY 2023-24.

B. Technology Development & Absorption

1. Efforts, in Brief, Made towards Technology Development & Absorption

- **Coal Gasification**

The coal to methanol (CTM) project that was undertaken as a part of clean coal initiative received “**Excellent**” rating by DST Committee & NITI Aayog, the funding agency, during the project formal closure in December 2023. Performance of gasifier in terms of higher carbon conversion efficiency and reliability were achieved in 2023-24 through many technical interventions which were demonstrated in many trial campaigns.

Under the initiative of decarbonisation, a new technology development & demonstration project on carbon capture and utilisation (CCU) was proposed and sanctioned by DST. The industry-academia partnership project will be executed at an investment of Rs. 32 crore with a 15% contribution from Thermax. The MoU between Thermax and the academic partner (IITD) is being worked out. The technology can be applied to sectors like steel, cement, and power.

- **Solar**

In 2023, the Company continued its engagement with the new technology partner and adopted a phased approach to commercialisation of perovskite based flexible solar thin film for the Indian market.

The Company imported samples of ambient light harnessing photovoltaics (PV) powered IoT (Internet of Things) solution and carried out key tests towards battery-less operation addressing battery landfill for a scaled-up business automation.

This unique offering was demonstrated to the potential customer, and key feedback and expectations on the solution were gathered.

Currently, the Company is working on pilot trial with the potential customer and exploring product localisation with a strategic partner.

For an outdoor application, the Company has identified a product value chain and is working on primary tests towards reliability, scalability, compliance and manufacturability of *Power Generating Glass through Flexible PV* with a strategic partner.

- **THVAC**

The THVAC prototype for bus application has been demonstrated to a leading Indian OEM.

The Company is working towards developing a matured product design to meet customer expectation.

The Company has also developed an in-house ‘Proof of Concept’ for a waste heat recovery-based truck cabin air-cooler unit. This innovation addresses the significant issue of discomfort faced by truck drivers due to non-air-conditioned cabins.

- **Hydrogen (AEM/GPS/BIO)**

An AEM-based programme has started, with cell-level testing completed with repeatability, and stack-level (2.5 KW) performance testing is now underway.

The Company had initiated a new in-house modular gas purification system (GPS) which will reduce the footprint and cost compared to conventional systems. Currently POC trials are being conducted on the new gas purification system. A conventional GPS is also built, and trials are taken simultaneously to create a baseline with which the new design will be compared.

A biomass-based hydrogen generation plant has started, and the performance and stabilisation of the process are currently underway.



2. Benefits Derived as a Result of the Above Efforts – Product Improvement, Cost Reduction, Product Development, Import Substitution, etc.

• Coal Gasification

The indigenous technology development has garnered interest from various stakeholders, including Indian private corporations and PSUs, aiming to scale up coal-to-chemical projects. With the CCU project sanctioned by DST, the company now has the opportunity to develop technology for converting CO₂ into value-added products such as methanol, DME etc.

• Solar

Thermax with the technology partner shall accelerate the product localisation, customer acquisition, manufacturing plan and commercialisation for perovskite based flexible solar thin film in India. There is a good response from potential customers for these new applications which will create a game changing product/business line for Thermax.

• THVAC

The bus fuel economy improvement has been observed to the tune of 5% to 6%.

Use of natural refrigerant has been ensured and less than 5% lower CO₂ emissions have been achieved. The Company has received two POC orders for truck applications.

• Biomass-based Hydrogen

Biomass-based Hydrogen can help us produce 20% more hydrogen than conventional biological route. The POC trials are going on and steady progress in achieving the target results are seen in these trials.

3. In Case of Imported Technology (Imported During the Last Three Years Reckoned from the Beginning of the Financial Year), the Following Information is Furnished:

Nil

4. Expenditure on R&D

| Particulars | Amount in Rs. in crore | |
|--|------------------------|-----------------------|
| | Current Year 2023-24 | Previous Year 2022-23 |
| a. Capital | 1.71 | 0.71 |
| b. Recurring | 35.02 | 32.21 |
| c. Total | 36.73 | 32.92 |
| d. Total R&D expenditure as a percentage of turnover | 0.4% | 0.4% |

5. Foreign Exchange Earnings and Outgo

The Company's operations in export markets are elaborated in the Management Discussion and Analysis which is a part of its Director's Report.

The details of the foreign exchange earnings and outgo are given below:

| Particulars | Amount in Rs. in crore | |
|-------------|------------------------|-----------------------|
| | Current Year 2023-24 | Previous Year 2022-23 |
| Inflow | 1,296 | 1,437 |
| Outflow | 455 | 442 |
| Net | 841 | 995 |

For and on behalf of the Board

Meher Pudumjee

Chairperson
DIN: 00019581
Pune, May 10, 2024

ANNUAL REPORT ON CSR ACTIVITIES AND CSR POLICY

1. A Brief Outline on CSR Policy of the Company

The Board of Directors of Thermax Limited, after taking into account the recommendations of the CSR Committee, has approved the CSR Policy for the Company. The highlights of the policy are given in this report and the complete policy is uploaded on the Company's website.

The Company has been focussing 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 created a formal structure named Thermax Social Initiative Foundation as a Section 25 company (under the erstwhile Companies Act, 1956) in 2007 to design and implement its CSR programme. In 2015-16, it was renamed Thermax Foundation (TF) and continues to be the primary implementing agency for the Thermax Group.

2. Composition of the CSR Committee

The Committee met two times on April 11, 2023, and October 4, 2023, during the year. Details of the Committee members and meetings attended by the members are as follows:

| Sr. No. | Name of the Director | Designation/ Nature of Directorship | Number of Meetings of the CSR Committee Held during the Year | Number of Meetings of the CSR Committee Attended during the Year |
|---------|-----------------------|---|--|--|
| 1 | Meher Pudumjee | Chairperson | 2 | 2 |
| 2 | Dr. S.B (Ravi) Pandit | Committee Member & Independent Director | 2 | 2 |
| 3 | Nawshir Mirza | Committee Member & Independent Director | 2 | 2 |

3. Provide the web link where the composition of the CSR committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company <https://www.thermaxglobal.com/corporate-governance-policies-and-disclosures/>
4. Average net profit of the Company as per section 135(5): **Rs. 296.74 crore**
5. (a) 2% of average net profit of the Company as per section 135(5): **Rs. 5.93 crore**
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NA**
 (c) Amount required to be set off for the financial year, if any: **NA**
 (d) Total CSR obligation for the financial year [(a) + (b) – (c)]: **Rs. 5.93 crore**
6. (a) Amount spent on administrative overheads: **Nil**
 (b) Amount spent on impact assessment, if applicable: **NA**
 (c) Total amount spent for the financial year [(a) + (b) + (c)]: **Rs. 5.93 crore**

**7. (a) CSR amount spent or unspent for the financial year**

(Amount in Rs. in crore)

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount Transferred to Unspent CSR Account as per Section 135(6) | | Amount Transferred to Any Fund Specified Under Schedule VII as per Second Provision to Section 135(5) | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 5.93 | Nil | - | Nil | - | - |

(b) Excess amount for set off, if any

| Sr. No. | Particulars | Amount (in Rs. in crore) |
|---------|---|-----------------------------|
| (i) | 2% of the average net profit of the Company as per section 135(5) | 5.93 |
| (ii) | Total amount spent for the financial year | 5.93 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | - |

8. Details of unspent CSR amount for the preceding three financial years:

| Sr. No. | Preceding Financial Year | Amount Transferred to Unspent CSR Account Under Section 135(6) (in Rs.) | Amount Spent in the Reporting Financial Year (in Rs.) | Amount Transferred to Any Fund Specified Under Schedule VII as per Section 135(6), if any | | | Amount Remaining to be Spent in Succeeding Financial Years (in Rs.) |
|---------|--------------------------|---|---|---|-----------------|------------------|---|
| | | | | Name of the Fund | Amount (in Rs.) | Date of transfer | |
| | | | | Nil | | | |

9. Specify the reason(s), if the Company has failed to spend 2% of the average net profit as per section 135(5): NA

Ashish Bhandari
(Managing Director & CEO)

Meher Pudumjee
(Chairperson, CSR Committee)

Form No. MR-3
Annexure 5(a) to the Directors' Report

SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2024

Pursuant to section 204(1) of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To,
The Members,
Thermax Limited,
D-13, MIDC, Ind Area,
R D Aga Road, Chinchwad,
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 our 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 authorised 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 **March 31, 2024**, 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 **March 31, 2024** according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (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 thereunder to the extent of foreign direct investment and overseas direct investment;
- (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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018 **(Not applicable to the Company during the audit period);**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021 **(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; **(Not applicable to the Company during the audit period);**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021 **(Not applicable to the Company during the audit period);** and
 - h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);**
- vi) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.



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

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

During the year 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. Further, in the incidences where, for the purpose of any Board or committee meeting, notice, agenda or notes to agenda are circulated with shorter period of less than seven days, all the directors including independent directors have consented to the shorter period of circulation of the same.

All decisions at Board meetings and committee meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees 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.

We further report that during the audit period:

1. Arbitration award passed on June 05, 2023, with respect to two gas turbo generators (GTGs) and allowing the customer's claim on additional expenditure on power and directed the Company to pay Rs. 173.72 crore with interest along with a sum of Rs. 95 lakh as arbitration cost to the customer. Further, stay of operation and execution of the arbitral

award has been granted, subject to the Company depositing an amount of Rs. 218.45 crore which is returnable with interest in the event the award is set aside by the Court.

2. The following companies ceased to be wholly-owned step down subsidiaries of the Company w.e.f dates as mentioned herein below, pursuant to share subscription agreements with various captive users:
 - a) First Energy 4 Private Limited (FE 4) w.e.f July 11, 2023
 - b) First Energy 7 Private Limited (FE 7) w.e.f October 06, 2023
 - c) First Energy 6 Private Limited (FE 6) w.e.f October 06, 2023
 - d) First Energy 5 Private Limited (FE 5) w.e.f January 16, 2024
3. Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its order dated December 20, 2023, which was received on December 25, 2023, has approved demerger of the wholly-owned subsidiaries of the Company namely, Thermax Cooling Solutions Limited (TCSL/Demergered Company) and Thermax Instrumentation Limited (TIL/Resulting Company).
4. The Company has entered into a License and Technical Assistance Agreement with Flowtech Co. Ltd., South Korea (Licensor) to obtain technology to manufacture Poly Carboxylate Ether products to strengthen its construction chemicals business portfolio.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar

Partner
FCS No: 6156
CP No: 2664

Place: Pune
Date: May 10, 2024

Peer Review Number: 669/2020
UDIN: F006156F000329523

***Note:** This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.*

To,
The Members,
Thermax Limited
D-13, MIDC, Ind. Area, R. D. Aga Road, Chinchwad, Pune - 411019

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. We have relied on the documents and evidences provided by the Company either physically or in electronic mode.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar

Partner
FCS No: 6156
CP No: 2664

Place: Pune

Date: May 10, 2024

Peer Review Number: 669/2020

UDIN: F006156F000329523



Form No. MR-3

Annexure 5(b) to the Directors' Report

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2024

[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 Babcock & Wilcox Energy Solutions Limited

Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg, Near Regal Cinema, Colaba, Mumbai MH 400039

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Babcock & Wilcox Energy Solutions 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 our 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 authorised 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 March 31, 2024 (audit period), 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(not applicable to the Company during the audit period)**
- (iii) The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder; **(not applicable to the Company during the audit period)**
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of overseas direct investment; **(not applicable to the Company during the audit period)**

- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Following sub-clauses (a) to (h) are not applicable to the Company during the Audit period as Company continues to be a Unlisted Public Company in its Articles under Section 2(71) of the 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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - 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, 2021, and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- (vi) Following important specific laws applicable to the Company, as confirmed by the Company were substantially complied with:
 - (i) The Boilers Act, 1923 (ii) The Environment (Protection) Act, 1986 (iii) The Contract Labour (Regulation and Abolition), Act 1970

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

 - (i) Secretarial Standards (SS.1 relating to meetings of Board of Directors & SS.2 relating to General

Meetings) issued by the Institute of Company Secretaries of India

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(not applicable to the Company during the audit period)**

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors and non-executive 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 were carried out unanimously as recorded in the minutes of the meetings of Board of Directors or Committee of the Board as the case maybe.

I 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.

I further report that during the audit period:

- Mr. Shekhar Kashalikar (DIN:09688441), Director and Chief Executive Officer of the Company resigned w.e.f. September 30, 2023.
- Board of Directors, at its meeting held on February 6, 2024, appointed Mr. B. C. Rajesh (DIN: 10486449) as the Chief Executive Officer and Additional Director of the Company with immediate effect.
- Board of Directors, at its meeting held on February 6, 2024, appointed Mr. Shyamak R. Tata (DIN: 07297729) as Additional Director (Non-Executive) on the Board of the Company with immediate effect.
- The Company at the Annual General Meeting held on July 28, 2023, altered its main object clause of the Memorandum of Association of the Company in accordance with the provisions of the Companies Act, 2013.

**For Amit Jaste & Associates
Practising Company Secretaries**

Amit Jaste

Proprietor

FCS No.: 7289

CP No.: 12234

Date: 8th May, 2024

Place: Mumbai

UDIN: F007289F000329413

***Note:** This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report*

**ANNEXURE A**

To,
The Members,

Thermax Babcock & Wilcox Energy Solutions Limited

Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg,
Near Regal Cinema, Colaba, Mumbai MH 400039

Our report of even date to be read along with this letter.

- 1) Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Amit Jaste & Associates
Practising Company Secretaries****Amit Jaste**

Proprietor

FCS No.: 7289

CP No.: 12234

Date: 8th May, 2024

Place: Mumbai

UDIN: F007289F000329413