

📍 **Thermax Limited,**
Thermax House, 14 Mumbai - Pune Road,
Wakdevadi, Pune - 411 003, India

📍 **Regd. Office:**
D-13, MIDC Industrial Area, R D Aga Road,
Chinchwad, Pune 411019, India

July 8, 2024

☎ +91 20 6605 1200, 6605 1202

🌐 www.thermaxglobal.com

PAN AAAC23910D

CIN L29299PN1980PLC022787

📄 27AAAC23910D1ZS

✉ enquiry@thermaxglobal.com



To

The Secretary
BSE Limited
PJ Towers, Dalal Street
Mumbai: 400 001
Company Scrip Code: 500411

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
Company Scrip Code: THERMAX EQ

Sub: Notice of the 43rd Annual General Meeting (AGM) and Annual Report for FY 2023-24

Dear Sir/Madam,

In compliance with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Notice of 43rd AGM and the Annual Report of the Company for the financial year 2023-24, which will be circulated to the shareholders through electronic mode today i.e. July 8, 2024. The 43rd AGM will be held on Thursday, August 1, 2024 at 4.00 p.m. (IST) through Video Conferencing (VC) and Other Audio Visual Means (OVAM). The Notice and the Annual Report are available on the Company's website at www.thermaxglobal.com.

The schedule of AGM is as set out below:

Event- 43 rd AGM	Details	Time (IST)
Date and time of AGM	Thursday, August 1, 2024	4.00 p.m.
Mode	Video Conferencing (VC) and Other Audio Visual Means (OAVM)	-
Link for participation through video conferencing	https://emeetings.kfintech.com/	-
Record date for Dividend	Friday, July 5, 2024	-
Dividend payment date	Monday, August 5, 2024	-
Cut-off date for e-voting	Thursday, July 25, 2024	-
E-voting start date and time	Monday, July 29, 2024	9.00 a.m.
E-voting end date and time	Wednesday, July 31, 2024	5.00 p.m.

Thanking you,

Yours faithfully,

For **THERMAX LIMITED,**

Janhavi Khele
Company Secretary
Membership No: A20601
Encl: as above



THERMAX LIMITED

Reg. Office: D-13, MIDC Industrial Area, R.D. Aga Road, Chinchwad, Pune 411 019
Corporate Office: Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune 411 003

Email ID: cservice@thermaxglobal.com Website: www.thermaxglobal.com

Tel no: 020-66051200

Corporate Identity No. (CIN) - L29299PN1980PLC022787

NOTICE is hereby given that the 43rd Annual General Meeting of THERMAX LIMITED ("the Company") will be held on Thursday, August 1, 2024 at 4.00 p.m. IST through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend of Rs.12/- (Rs. Twelve only) per equity share of face value of Rs. 2/- each for the financial year ended March 31, 2024.
3. To appoint a Director in place of Mr. Ashish Bhandari (DIN: 05291138), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To ratify the remuneration payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants for the financial year ending on March 31, 2025, and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), a remuneration of Rs. 6,75,000/- (Rupees Six Lakhs Seventy Five Thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, the Cost Auditors appointed by the Board of Directors of the

Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT any Director or Chief Financial Officer or the Company Secretary of the Company be and is hereby severally authorised to do all acts, deeds and things including filing of necessary forms, documents, applications and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto."

5. To consider and approve continuation of directorship of Mrs. Meher Pudumjee as Non-Executive, Non-Independent Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors in this behalf, consent of Members be and is hereby accorded in terms of Regulation 17(1D) of Listing Regulations for continuation of directorship of Mrs. Meher Pudumjee (DIN: 00019581) as Non-Executive, Non-Independent Director of the Company for five consecutive years up to March 31, 2029 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Act, and the Rules made thereunder (including any statutory modification(s)

or re-enactment thereof for the time being in force), Mrs. Meher Pudumjee be paid such fees, remuneration and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed.

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary of the Company be and is hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto.”

6. To consider and approve alteration of the Object Clause of Memorandum of Association of the Company and in this regard, consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 13 of the Companies Act, 2013 and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules framed thereunder and subject to such approvals as may be necessary or required, consent of the Members be and is hereby accorded for alteration of clause no. 2, 2D, 2E, moving existing clause no. 67 and 68 from Other Object to Main Object and introducing new clause no. 6 in the Objects Clause (Clause III) of the Memorandum of Association of the Company as detailed below:

(A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:

2. To carry on the business of manufacturers, installers, erectors, maintainers, repairers, and dealers, distributors, importer, exporter, generators, designers, constructors, developers, operators, service providers, consultant, technicians, project managers, supervisors, in industrial and agricultural plant and machinery, appliances and apparatus of every description of and in:
 - (1) Boilers of all types such as Solid fuel fired boilers Electric Boilers; Heat; Recovery Boilers; High Pressure Boilers Lean Gas Fired Boilers; Oil & Gas fired Boilers; Super Critical Boilers; Waste Heat Recovery Boilers,
 - (5) Producer gas plants, Bio-gas plants, any other kind of gas plants; Gasification, liquefaction and related

processes; Gas upgradation and Gas Cleaning systems.

- (31) Water treatment plant, clarifiers, sand filters, activated carbon filters, filtrations, sedimentation, ultrafiltration, reverse osmosis units, sewage treatment, effluent treatment, activated sludge process, moving bed bio reactors, aerobic treatment, anaerobic treatment, multiple effect evaporation, mechanical vapour recompression, effluent recycling systems, sewage recycling systems, zero liquid discharge systems.
 - (32) Absorption Cooling and Heating systems; Chillers; Transformers; Vaporiser; Absorption Chillers; Adiabatic Coolers; Air Cooled Heat Exchangers; Closed Loop Cooling Towers; Dry Coolers; Evaporative Condensers; Steam Distributors; Air/ Gas/ Hot Water generators, Thermal Oil Heaters and Vaporisers.
 - (33) Air Pollution Control systems; Bag filters; Coal Preparation Plants and Coal Injection Systems; Combo filters; Dedusting and Fume Extraction Systems; Electrostatic Precipitators; Scrubbers for Particulates and Gaseous Abatement.
 - (34) Construction Chemicals, Ion Exchange, Resins, Oil Field Chemicals Performance Chemicals, moulding powders, adhesives, organic solvents, water treatment chemicals, petro-chemicals, electro-chemicals, compounds and products thereof, speciality chemicals and formulation, application, integration, and all solutions related to such chemical, chemical products of any nature and kind whatsoever including allied processes.
- 2D. To carry on the business of providing application systems to meet specific requirements of industries and to render services for programme conversions and the appropriate software for computers/ electronic data processing systems for scientific research and development, education, governmental, commercial and

industrial applications including Industrial Internet of Things and digital solutions in India and abroad.

- 2E. To render and undertake consultancy services and to develop, purchase or otherwise acquire and/or provide any technical know-how in regard to the business activity of the company and also that which may be acquired in the course of its business and for assisting in the manufacture or processing of goods, materials or in the installation, erection or working of machinery or plant for such manufacture or processing and providing automation, engineering, optimisation; life extension; overhaul; improvement and upgradation; retrofit & revamp and monitoring solutions in relation to including but not limited to asset, plant, equipment, control system; energy management solutions; storage, batteries, utility, delivery systems; condensate systems; recycle and zero discharge systems.
4. To carry on the business of promoting, owning, acquiring, constructing, erecting, maintaining, commissioning, improving, managing, operating, taking on hire-lease, setting up power plants of all types, clean and renewable energy, green energy projects, renewable energy projects, energy storage solutions, co-generation power plants, energy exchange platforms, including on build-own operate and transfer basis or any other basis, as also to engage in the business of generating, transmitting, distributing, storing, buying, selling & supplying power, energy to all types of consumers, and for all applications including setting up, operating & maintaining power projects and plants on a turnkey basis.
5. To undertake, identify, design, formulate, improve, develop, structure, promote, aid, procure, establish, equip, manage, fabricate, engineer, manufacture, install, erect, construct, commission, operate, implement, assemble, maintain, repair, buy, sell, store, transmit, distribute, generate, control, regulate, modify, restructure, re-organise, participate, or otherwise and/ or act as consultants, designer, fabricator, manufacturer, supplier, installer, repairer, hirer, lessor, importer or exporter of all goods and services and to deal in all kinds

of end to end solutions including equipment, plant & machinery, appliances, apparatus relating to any description or type used for or in power plants, pollution control, water and waste water treatment, waste to energy solutions, chemicals / consumables, renewable energy systems, wind, solar, geo-thermal or technologies in climate change, clean energy systems, carbon capture and sequestration which includes but not restricted to renewables, clean energy technologies in fossil fuels, hydrogen and hydrogen based technologies including the carrying out of any of the said business activities on build-own-operate (BOO), build-own-operate and transfer (BOOT) or on any other basis and in particular enter into agreements / arrangements by way of joint-venture and / or otherwise in India or abroad by way of capital participation and / or technical know-how and /or to deal, trade, endorse in any way, the rights, benefits, privileges, concessions derived from any of the aforesaid activities and / or to engage in all businesses and services as may be related or ancillary to the aforesaid business areas.

6. To acquire, own, cultivate, grow, plant, utilise, produce, operate, buy, sell, exploit any estates, properties, conveyances, vessels, or lands for plantation fuel trees, energy crops, and other trees, plants, vegetables and any other produce of the soil and to manufacture, produce, formulate, buy, sell or otherwise deal in biomass or agro waste or any other briquettes, wood log, activated carbon and other products based on biomass and biomass/ agro waste and the plant and machinery required for producing the same.

RESOLVED FURTHER THAT any Director or CFO, or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to this resolution including affixation of the common seal, if necessary on any documents and issuing certified true copies thereof.”

By Order of the Board of Directors
For **Thermax Limited**

Janhavi Khele

Company Secretary
ACS 20601

Place: Pune

Dated: May 10, 2024

Notes:

1. The Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” and Circular no. 02/2021 dated January 13, 2021, Circular no. 02/2022 dated May 5, 2022, Circular No. 11/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India (“SEBI”) vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic”, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/DDHS/P/CIR/2023/0164 dated October 6, 2023 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic” (collectively referred to as “SEBI Circulars”) has permitted the holding of Annual General Meeting (“AGM”) through VC / OAVM (e-AGM), without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the 43rd AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) in respect of the special business, is annexed hereto.
3. Since this AGM is being held pursuant to the aforesaid MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and road map are not annexed to this Notice. The recorded transcript of the AGM shall also be made available on the website of the Company at www.thermaxglobal.com within the prescribed time after conclusion of the AGM.
4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names in the Register of Members of the Company will be entitled to vote.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In compliance with the aforesaid MCA Circulars and the SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company’s website www.thermaxglobal.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Company will also publish an advertisement in newspaper containing the details about the AGM i.e. the conduct of AGM through VC/OAVM, date and time of AGM, availability of notice of the AGM at the Company’s website on www.thermaxglobal.com and manner of registering the e-mail IDs of those shareholders who have not registered their email addresses with the Company/ RTA.
7. The statutory registers that are required to be kept open during the AGM and the documents that are referred to as available for inspection, in the notice or explanatory statement, shall be made available for inspection electronically on the date of AGM. The members desiring to have inspection of the same shall contact on cservice@thermaxglobal.com for the same by August 1, 2024.
8. **Procedure for joining the AGM through VC / OAVM:**
 - i. Members will be able to attend the AGM through VC / OAVM provided by KFin Technologies Limited (KFintech) at <https://emeetings.kfintech.com/> by using their e-voting login credentials and selecting the EVEN for Company’s AGM.

Members are requested to follow the procedure given below:

1. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.KFintech.com>
 2. Enter the login credentials (i.e., User ID and password for e-voting).
 3. After logging in, click on "Video Conference" option.
 4. Then click on camera icon appearing against AGM event of Thermax Limited, to attend the Meeting.
- ii. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.
 - iii. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
 - iv. There will be no restrictions on account of first come first served basis entry into the AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
 - v. Members, who need assistance before or during the AGM, can contact KFintech on emeetings@kfintech.com / evoting@kfintech.com or call on toll free number 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

9. Procedure for Remote E-Voting and E-Voting at the AGM are as follows:

A. Remote E-Voting (Voting through Electronic means):

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/

CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

- ii. However, pursuant to the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting period commences from Monday, July 29, 2024 (9 a.m.) and ends on Wednesday, July 31, 2024 (5 p.m.).
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode".

viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Details on Step 1 are mentioned below:

I) Method of login / access to Depositories (NSDL / CDSL) e-voting system in case of individual members holding shares in demat mode:

Type of Member	Login Method
Individual members holding securities in demat mode with NSDL	<p>A. Instructions for existing Internet-based Demat Account Statement (“IDeAS”) facility Users:</p> <ul style="list-style-type: none"> i. Visit the e-services website of NSDL https://eservices.nsdl.com/ ii. On the e-services home page click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. iii. A new page will open. Enter the existing user id and password for accessing IDeAS. iv. After successful authentication, members will be able to see e-voting services under ‘Value Added Services’. Please click on “Access to e-voting” under e-voting services, after which the e-voting page will be displayed. v. Click on company name, i.e. ‘Thermax Limited’, or e-voting service provider, i.e. KFintech. vi. Members will be re-directed to KFintech’s website for casting their vote during the remote e-voting period. <p>B. Instructions for those Members who are not registered under IDeAS:</p> <ul style="list-style-type: none"> i. Visit https://eservices.nsdl.com/ for registering. ii. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. iii. Visit the e-voting website of NSDL https://www.evoting.nsdl.com/ iv. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. v. Members will have to enter their User ID (i.e. the sixteen digits demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen. vi. After successful authentication, members will be redirected to NSDL Depository site wherein they can see e-voting page. vii. Click on Company name, i.e. Thermax Limited, or e-voting service provider name, i.e. KFintech, after which the member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period. <p>C. NSDL Mobile App</p> <ul style="list-style-type: none"> i. Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code for seamless voting experience.

NSDL Mobile App is available on



Type of Member	Login Method
Individual members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual members login through their demat accounts / Website of Depository Participant(s)	<p>A. Instructions for login through Demat Account / website of Depository Participant:</p> <ol style="list-style-type: none"> Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. Once logged-in, members will be able to view e-Voting option. Upon clicking on e-Voting option, members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-Voting feature. Click on options available against Thermax Limited or KFintech. Members will be redirected to e-Voting website of KFintech for casting their vote during the remote e-Voting period without any further authentication.
Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.	
Helpdesk for Individual members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:	
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 or 1800 22 44 30
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Details on Step 2 are mentioned below:

Method of login / access to KFintech's e-Voting system in case of all members holding shares in physical mode and non-individual members holding shares in demat mode:

Type of Member	Login Method
Members whose email IDs are registered with the Company / Depository Participant(s)	<p>A. Instructions for Members whose email IDs are registered with the Company / Depository Participant(s):</p> <p>Members whose email IDs are registered with the Company / Depository Participant(s) will receive an email from KFintech which will include details of E-voting Event Number (EVEN), USER ID and password. They will have to follow the following process:</p> <ol style="list-style-type: none"> Launch internet browser by typing the URL: https://evoting.kfintech.com/ Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 8056 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a member is registered with KFintech for e-voting, they can use their existing User ID and password for casting the vote. After entering these details appropriately, click on "LOGIN".

Type of Member	Login Method						
	<ul style="list-style-type: none"> iv. Members will now reach the password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt the members to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that members do not share their password with any other person and that they take utmost care to keep their password confidential. v. Members would need to login again with the new credentials. vi. On successful login, the system will prompt the member to select the "EVEN", viz., 'Thermax Limited 8056', and click on "Submit". vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, a member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A member may also choose the option ABSTAIN. If a member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head. viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account. ix. Members may then cast their vote by selecting an appropriate option and click on "Submit". x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once members have voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, members can login any number of times till they have voted on the Resolution. xi. Corporate/ Institutional members (corporate / Fls / FIs / trust / mutual funds / banks, etc.) are required to send scanned copy (pdf format) of the relevant board resolution to the Scrutinizer through e-mail to cs@svdandassociates.com with a copy to evoting@kfintech.com. The file scanned image / pdf file of the board resolution should be in the naming format "Corporate Name". In case if remote e-voting, the said documents should reach the Scrutinizer on/or before Wednesday, July 31, 2024 at 5.00 p.m. IST. 						
Members whose email IDs are not registered with the Company / Depository Participant(s)	<p>B. Instructions for Members whose email IDs are not registered with the Company / Depository Participant(s):</p> <p>Members are requested to follow the process as guided to capture the email address and mobile number. In case of any queries, members may write to einward.ris@kfintech.com.</p>						
Procedure for Registration of email and Mobile: securities in physical mode	<p>Physical shareholders are hereby notified that based on the SEBI Circular SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR-1 form along with the supporting documents. ISR- 1 Form can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/isrforms.aspx</p> <p>ISR Form(s) and the supporting documents can be provided by any one of the following modes:</p> <ul style="list-style-type: none"> a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or b) Through hard copies which are self-attested, which can be shared on the address below; or <table border="1" data-bbox="571 1587 1418 1750"> <tbody> <tr> <td data-bbox="571 1587 703 1624">Name</td> <td data-bbox="703 1587 1418 1624">KFIN Technologies Limited</td> </tr> <tr> <td data-bbox="571 1624 703 1661">Unit</td> <td data-bbox="703 1624 1418 1661">Thermax Limited</td> </tr> <tr> <td data-bbox="571 1661 703 1750">Address</td> <td data-bbox="703 1661 1418 1750">Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.</td> </tr> </tbody> </table> <p>Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx#</p> <p>Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html</p> <p>For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.</p>	Name	KFIN Technologies Limited	Unit	Thermax Limited	Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.
Name	KFIN Technologies Limited						
Unit	Thermax Limited						
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.						

Method for obtaining User Id and Password for members who have forgotten the User ID and password:

Members who have forgotten the User ID and password

Members who have forgotten the user id and password, may obtain / retrieve the same in the manner mentioned below:

- i. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD<space>E-voting Event Number (EVEN) + Folio No. or DP ID Client ID to +91 9212993399
Example for NSDL: MYEPWD<SPACE>IN12345678
Example for CDSL: MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE>XXXX1234567890
- ii. If email ID of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Members may send an email request to einward.ris@kfintech.com. If the member is already registered with the KFinTech e-voting platform then such member can use his / her existing User ID and password for casting the vote through remote e-Voting.
- iv. Members may call KFinTech toll free number 1-800-309-4001 for any clarifications / assistance that may be required.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com/public/Faq.aspx>. In case of any queries / concern / grievances, you may contact KFin Technologies Limited, Selenium, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032, India, at email: einward.ris@kfintech.com; 1-800-309-4001 (toll free).

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting:

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome

(preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at cservice@thermaxglobal.com. Questions /queries received by the Company till 4.00 p.m. IST, Tuesday, July 30, 2024 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They may visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will open from Saturday, July 27, 2024 to Tuesday, July 30, 2024. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the User ID and Password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will open from Saturday, July 27, 2024 to Tuesday, July 30, 2024.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or email at evoting@kfintech.com or call KFintech's toll free No. 1-800-3094-001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, July 25, 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 - 1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678
 - 2. Example for CDSL:
MYEPWD <SPACE> 1402345612345678
 - 3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890
- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://emeetings.kfintech.com/forgotpassword.aspx>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Please follow the procedure mentioned under Point 15 of this AGM Notice "Procedure for Registration of email and Mobile: securities in physical mode"
- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
- VII. Mr. Sridhar Mudaliar (FCS 6156), or failing him, Mrs. Sheetal Joshi (FCS 10480) Partners of M/s. SVD & Associates, Company Secretaries, have been appointed as the Scrutinizers to scrutinize the e-voting process to conduct the same in a fair and transparent manner.
- VIII. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer 's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company www.thermaxglobal.com and on the website of KFintech at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the stock exchanges.

- IX. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e. August 1, 2024.

Dividend related information

- 10.** The Company has fixed Friday, July 5, 2024 as the 'Record Date' for determining entitlement of members to receive dividend for the financial year ended March 31, 2024, if approved at the AGM.
- 11.** If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on Monday, August 5, 2024 as under:
- i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Friday, July 5, 2024.
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, July 5, 2024.
- 12.** Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ KFinTech (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Forms to be uploaded on [Dividend Tax Exemption Form Registration | Form 15](#) or duly filled and scanned copy to be sent to einward.ris@kfintech.com. The last date to receive the forms should be 6:00 PM (IST) of Monday, July 15, 2024. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their

country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. Forms to be uploaded on [Dividend Tax Exemption Form Registration | Form 15](#) or duly filled and scanned copy to be sent to einward.ris@kfintech.com. The last date to receive the forms should be 6:00 PM (IST) of Monday, July 15, 2024.

The aforesaid documents such as Form 15G/ 15H, documents under Section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link given above or duly filled and scanned copy to be sent to einward.ris@kfintech.com to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Formats of Form 15G / Form 15H are available on the website of the Company and can be downloaded from the link <https://www.thermaxglobal.com/download-forms/>

- 13.** The SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

Further, relevant FAQs published by the SEBI on its website at the following web link for investor awareness also carries this information.

https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf

- 14.** As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, and request received for transmission or transposition of securities shall be effected only in dematerialised form w.e.f. January 24, 2022. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent, KFinTech for assistance in this regard.

15. Procedure for Registration of E-mail and Mobile: securities in Physical Mode

Physical shareholders are hereby notified that based on SEBI Circular number SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR Form(s) can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

The ISR forms for availing investor's services are as below:

Sr. No.	Particulars	Please furnish details in
1	PAN	
2	Address	
3	Email address	
4	Mobile Number	Form No. ISR-1
5	Demat account details	
6	Bank account details	
7	Nomination details*	Form:SH-13
8	Declaration to opt out nomination*	Form: ISR-3
9	Confirmation of the signature by the bank	Form: ISR-2

*In case you are opting out for giving nomination, submit ISR-3 and SH-13 need not be submitted.

The Company has sent individual letters to all the Members holding shares of the Company in physical form and whose Folio are KYC non-compliant on May 11, 2024 for furnishing their PAN, KYC details and Nomination. Members holding shares of the Company in physical form are requested to go through the requirements on the website of the Company at www.thermaxglobal.com to furnish the above mentioned details.

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

- Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- Through hard copies which are self-attested, which can be shared on the address below: or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

16. E-mail Address:

To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form and with Kfintech in case the shares are held by them in physical form.

17. National Electronic Clearing Service (NECS):

The Company has provided facility to the Members for receiving dividend through Electronic Clearing System (ECS) to avoid loss in transit/fraudulent interception & encashment/undue delay in receipt of the dividend warrant. The ECS facility is available at locations approved by the Reserve Bank of India from time to time and covers most of the cities and towns.

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

Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to KFinTech in case the shares are held by them in physical form.

18. Unclaimed Dividend:

The Ministry of Corporate Affairs had notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules). As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate the companies to transfer such shares of Members of whom dividends remain

unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority.

Dividend declared by the Company on August 8, 2017 for the financial year 2016-17 which remained unclaimed, is due for transfer to the Investor Education and Protection Fund (the IEPF), on September 12, 2024, pursuant to the provisions of the aforesaid Sections of the Companies Act, 2013.

Members who have not encashed their dividend warrants pertaining to the year 2016-17 and/or any subsequent years that still remains outstanding, are requested to lodge their claims with KFin Technologies Limited, the Company's RTA, at the earliest for obtaining payments thereof.

19. Queries related to Financial Statements:

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

The audited financial statements and consolidated financial statements for the financial year ended March 31, 2024 can also be viewed on the Company's website (www.thermaxglobal.com).

By Order of the Board of Directors
For **Thermax Limited**

Janhavi Khele
Company Secretary
ACS 20601

Place: Pune
Dated: May 10, 2024

EXPLANATORY STATEMENT

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

Item No. 4

Based on the recommendations of the Audit Committee, the Board of Directors of the Company at its meeting held on May 10, 2024 approved the appointment of M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune as the Cost Auditors of the Company for the financial year 2024-25. It is proposed to pay Rs. 6,75,000 /- (Rupees Six Lakhs Seventy Five Thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses as remuneration to the Cost Auditors for FY 2024-25. M/s. Dhananjay V. Joshi & Associates were also the Cost Auditors of the Company for the financial year 2023-24.

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

Your Director's recommend the resolution for your approval.

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

Item No. 5

The Board of Directors of the Company at their Meeting held on January 15, 2001, appointed Mrs. Meher Pudumjee as Additional Director of the Company. Thereafter, the Members of the Company at their 20th Annual General Meeting held on September 5, 2001, approved the appointment of Mrs. Pudumjee as a Director of the Company, liable to retire by rotation.

The Articles of Association of the Company provides that as long as the Core Promoters hold not less than 10% of the paid-up equity capital of the Company, they shall be entitled to appoint one of Members of the Board as Chairperson of the Company. The Articles also provides that the Chairperson shall not be liable to retire by rotation. Based on the intimation received from Core Promoters, the Board of Directors at its meeting held on October 1, 2004, appointed Mrs. Pudumjee as Chairperson of the Company, not liable to retire by rotation.

Regulation 17(1D) inserted into the Listing Regulations by the SEBI vide its notification dated June 14, 2023 (effective July 13, 2023) provides that continuation of non-retiring Directors on the Board of the Company shall be subject to approval of shareholders of the Company in general meeting once in every five years. It also provides continuation of the Director serving on the Board of Directors of a listed entity as on March 31, 2024, without

the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after March 31, 2024.

The Nomination and Remuneration Committee and Board of Directors are of the view that the Company has grown multi-fold under the leadership of Mrs. Pudumjee and it would in the interest of the Company that she continues to lead in future. Accordingly, approval of the Members by way of Ordinary Resolution is sought on Item No. 5 of the Notice for continuation of Directorship of Mrs. Pudumjee as Non-Executive, Non-Independent Director of the Company, not liable to retire by rotation, for a period of five years up to March 31, 2029.

The Company has also received following documents/ declarations from Mrs. Pudumjee:

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164 (1) & (2) of the Act and;
- A declaration to the effect that she is not been debarred/restrained from holding the office by virtue of any Securities and Exchange Board of India (SEBI) Order or any other authority.

The details of the remuneration paid to Mrs. Pudumjee forms part of the Corporate Governance Report. Additional information in respect of the proposed appointee, pursuant to the Listing Regulations, the Act and the Secretarial Standard on General Meetings are given herein as an Annexure and forms part of the Notice.

Mrs. Pudumjee is related to Mr. Pheroz Pudumjee, Non-Executive, Non-Independent Director of the Company and deemed to be interested in this resolution.

Save and except the foregoing, none of the Directors and Key Managerial Personnel of the Company and their relatives, except for the proposed appointee and their relative(s), are in any way concerned or interested (financially or otherwise), in the proposed Ordinary Resolution(s) as set out respectively at Item No. 5 of the Notice.

Your Director's recommend the said resolution for your approval.

Item No. 6.

The Company has been involved in the business of setting up, implementing various kinds of projects including power plants and manufacturing and equipment

connected and involved in these projects including those that support conservation of energy and preservation of environment. The Company's offerings in the market are in the form of solutions that optimize energy and environment and promote the use of alternatives.

Since last amendment to the object clause in the Memorandum of Association in 2008, the Company's business has grown in activities of power plants, pollution control, water and wastewater treatment, providing sustainable solutions in energy and environment. The current objects clause sets out the Company's activities in a broad manner which the Company hitherto has been undertaking. The Company proposes to amend the objects clause by adding, reorganising and detailing the activities, various solutions and products already involved in these Projects in new objects clause. This would also align the Objects clause with business, of the Company. The amendment will also enable the Company to grow in these products and services. The Board recommends amendment to Objects Clause for approval of the Shareholders of the Company.

Accordingly, clause 2 is being elaborated with products, clause 2D, 2E are being updated, old clause no. 67 and 68 forming part of Other Objects are being introduced as part of the main objects under Clause III (A) of the Memorandum of Association of the Company and new clause no. 6 is being added.

The Board, at its meeting held on May 10, 2024, has approved amendment of the Objects Clause.

As per section 13 of the Act, read with the Companies (Incorporation) Rules, 2014, any alteration to the object clause of the Memorandum of Association of the Company requires consent of the Shareholders of the Company by passing a Special Resolution.

The Memorandum and Articles of Association of the Company is open for inspection by the Shareholders at the Registered Office or the Company's Corporate Office at Thermax House, 14, Mumbai-Pune Road, Wakdevadi, Pune 411 003 during the normal business hours at any time up to August 01, 2024.

Your directors recommend the Special Resolution as set out in the Notice for your approval.

None of the Directors or the Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution as set out in the Notice except to the extent of their shareholding.

By Order of the Board of Directors
For **Thermax Limited**

Janhavi Khele

Company Secretary
ACS 20601

Place: Pune
Dated: May 10, 2024

Additional details of directors seeking appointment/ re-appointment/extension at the annual general meeting

Name of the Directors	Mrs. Meher Pudumjee
Director Identification Number	00019581
Date of Birth (Age)	11/10/1966 (57 years)
Date of first appointment on the Board	January 15, 2001
Educational Qualification	Mrs. Meher Pudumjee holds a postgraduate degree in Chemical Engineering from the Imperial College of Science & Technology, London.
Experience (including expertise in specific functional areas/ skills and capabilities) / Brief Resume	<p>Mrs. Meher Pudumjee is the Chairperson of Thermax Ltd., a dynamic leader at the helm of a legacy business. As a third-generation family member in the business, she brings a unique blend of tradition and innovation to her role.</p> <p>Mrs. Pudumjee embarked on her journey with Thermax as a trainee engineer in August 1990 after completing her postgraduation in Chemical Engineering from the Imperial College of Science & Technology in London. In the early stages of her career, she achieved notable success by playing a pivotal role along with her husband, Mr. Pheroze Pudumjee, in the successful turnaround of Thermax's subsidiary in the UK.</p> <p>Upon returning to India in September 1996, she assumed a position on Thermax's Board of Directors, working closely in the Finance function and then the Environment division and a joint venture in bottled water. In January 2001, she transitioned to the role of Non-Executive Director and, by 2002, became the Vice Chairperson. Her tenure in these roles was characterised by active involvement in the turnaround of Thermax's business operations.</p> <p>In October 2004, Mrs. Pudumjee assumed the role of Chairperson, propelling Thermax towards sustainable growth and responsible practices. Under her visionary leadership, the Company is on a mission to establish itself as a trusted partner in energy transition.</p> <p>Beyond her role at Thermax, Mrs. Pudumjee is deeply committed to philanthropy and social impact initiatives. She actively participates in Thermax's corporate social responsibility programmes through the Thermax Foundation, focussing on education, skill development, and sustainable livelihoods. Her dedication to these causes resonates with her advocacy for environmental stewardship and social impact.</p> <p>Mrs. Pudumjee extends her influence and expertise to various national and international committees in the spheres of energy, sustainability, and industrial development. Her expansive portfolio includes roles as Director of the Akanksha Foundation, Trustee of 'Teach for India', and Independent Director on the board of Pidilite Industries, among others.</p> <p>Over the years, Mrs. Pudumjee has garnered immense respect and recognition, both in India and abroad, for her contributions to the energy sector and environmental initiatives. In 2006, Mrs. Pudumjee represented India at the Asian Business Women's Conference in Osaka. Other notable accolades include the 'Women in Business Young Achiever' award by The Financial Express in 2006 and the 'CEO of the Year' title by Business Standard in 2009. In 2008, the World Economic Forum honoured her as a 'Young Global Leader' in recognition of her professional accomplishments, commitment to society, and potential to shape the world's future.</p> <p>Mrs. Pudumjee's dedication to Thermax's vision has culminated in the Company being awarded the 'University of Vermont Family Business Award' in the 'Multi-Generation Family Enterprise' category in 2022. Also, the Company was recognised with the coveted 'Best Business led by a Woman' award at the Moneycontrol Indian Family Business Awards 2022. Very recently, the company was named the winner of the 'Golden Peacock Award for Excellence in Corporate Governance' for the year 2023.</p>
Directorships held in other companies (excluding foreign companies)	<ul style="list-style-type: none"> - Pidilite Industries Limited - First Energy Private Limited - RDA Holdings Private Limited - Thermax Foundation - ARA Trusteeship Company Private Limited - Socomp Solutions Private Limited - Akanksha Foundation.
Memberships/ Chairmanships of Committees across Listed companies (excluding foreign companies)*	<p>Thermax Limited:</p> <p>Member of Stakeholders' Relationship Committee</p>

Name of the Directors	Mrs. Meher Pudumjee
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mrs. Meher Pudumjee and Mr. Pheroze Pudumjee are related to each other.
No. of shares held in the Company	Mrs. Pudumjee does not directly hold any shares in the Company.
Terms and Conditions of appointment / re-appointment	As per the Ordinary Resolution set forth at Item No. 5 of this Notice.
Name of listed entities from which the person has resigned in the past three years (excluding foreign Companies)	NIL
The number of Meetings of the Board attended during the year	The details of attendance at Board and Committee Meetings including remuneration last drawn are given in Corporate Governance Report which is a part of the Annual Report.
The remuneration last drawn	
Details of remuneration sought to be paid	As approved by the Board.

**Committees mentioned include Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1)(b) of the Listing Regulations.*

Name of the Directors	Mr. Ashish Bhandari
Director Identification Number	05291138
Date of Birth (Age)	06/05/1971 (53 years)
Date of first appointment on the Board	September 1, 2020
Educational Qualification	Mr. Ashish Bhandari completed his Bachelor of Technology in Electrical Engineering (B. Tech) from the Indian Institute of Technology, Mumbai and later received a Master's Degree in Business Administration from Duke University.
Experience (including expertise in specific functional areas/ skills and capabilities) / Brief Resume	Mr. Ashish Bhandari has been the MD & CEO of Thermax Group since September 1, 2020. He leads all strategies and initiatives towards the Group's vision of becoming a trusted partner in energy transition. Ashish is mandated with strengthening global customer and partner relationships and crafting innovative approaches to accelerate business outcomes based on emerging business models, the evolving market landscape, and industry developments. He also leads Thermax's product development strategy and client expansion initiatives across the globe. Mr. Bhandari joined Thermax with more than two decades of experience working with industry-leading companies and conglomerates, including those with a significant presence in the oil and gas industry. He was previously the Vice President-India and South Asia region at Baker Hughes (formerly a GE company). He also had a 15-year-long stint with GE. His prior work experience includes a stint with Schlumberger, McKinsey & Co., and two overseas startups.
Directorships held in other companies (excluding foreign companies)	Thermax Babcock & Wilcox Energy Solutions Limited, Thermax Onsite Energy Solutions Limited, First Energy Private Limited.
Memberships/ Chairmanships of Committees across Listed companies (excluding foreign companies)*	Thermax Limited: Member of Stakeholders' Relationship Committee
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any Director / Key Managerial Personnel of the Company.
No. of shares held in the Company	Mr. Bhandari does not hold any shares in the Company.
Terms and Conditions of appointment / re-appointment	As per the Ordinary Resolution set forth at Item No. 3 of this Notice.
Name of listed entities from which the person has resigned in the past three years (excluding foreign Companies)	NIL
The number of Meetings of the Board attended during the year	The details of attendance at Board and Committee Meetings including remuneration last drawn are given in the Corporate Governance Report which is a part of the Annual Report.
The remuneration last drawn	
Details of remuneration sought to be paid	As per approved terms and Conditions of the Agreement.

**Committees mentioned include Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1)(b) of the Listing Regulations.*



**TRUSTED
PARTNER IN
ENERGY
TRANSITION**

#ThermaxForABetterTomorrow

ABOUT THE THEME

A Trusted Partner in Energy Transition

The global commitment to sustainability, rapid technology advancement and growing environmental concerns have occasioned a paradigm shift in the energy landscape.

As a Company specialising in both energy and environment solutions, we play a critical role in facilitating the world's transition to more equitable and resilient energy systems.

With our deep industry knowledge and expertise, we are uniquely positioned to provide solutions for sustainable production to our business partners and stakeholders, becoming their trusted partners in navigating their journey to a more sustainable and successful business

future. These solutions encompass multi-fuel and biomass-based solutions, hybrid renewables, bio-CNG, electrical solutions, digital offerings, coal gasification, and green hydrogen, aimed at reducing carbon emissions and mitigating other negative impacts on the natural world. Our business model allows us to cater to businesses of all sizes, thus adding impetus to broaden the energy transition movement.

Driven by our brand promise of 'Conserving Resources and Preserving the Future', we are transforming ourselves into a comprehensive solutions provider encompassing areas of clean air, clean energy and clean water.

On one end, we are providing cleaner and more sustainable industrial processes through efficient boilers, cogeneration systems, emission control, waste-to-energy solutions

as well as water purification and recycling systems. On the other, we are promoting diverse energy systems by consistently expanding our offerings across the spectrum.

Our evolution reflects our deep commitment to environmental stewardship and our dedication to supporting India's net zero ambition. We are investing in the future by promoting responsible manufacturing, forging strategic technology partnerships with marquee companies, both within India and abroad, and investing in cutting-edge green solutions that are the need of the hour.



To view the report online, scan the QR code

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ABOUT THIS INTEGRATED REPORT

Reporting Approach and Period

The terms 'Thermax', 'Thermax Group', 'the Group', 'the Company', 'your Company', 'we', 'our' and 'us' refer to Thermax Limited and our group of companies.

We are pleased to present the Integrated Report for the FY 2023-24 that provides insights into how our Company creates value for our stakeholders in the short, medium, and long term. It provides an overview of our financial as well as non-financial achievements during FY 2023-24. It offers an understanding of our strategies, governance, operating environment, and potential risks and opportunities.

In addition to this, as mandated by SEBI, Thermax also reports stakeholder-relevant performance through a Business Responsibility and Sustainability Report (BRSR) for Thermax Limited. We have combined both the reports to avoid duplication and deliver comprehensive yet concise information to all stakeholders.

Boundary and Scope of Reporting

This Report covers information about the manufacturing facilities, products and solutions, operations and maintenance, and office premises of the Thermax Group and its material subsidiaries. Disclosures of the period from April 1, 2023, to March 31, 2024, are also covered in this Report, unless stated otherwise.

Framework, Guidelines and Standards

The Report is prepared in line with the Integrated Reporting (IR) framework published by the IFRS Foundation. IFRS Foundation is a global not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards. The non-financial disclosures are made with reference to GRI Standards 2021.

The report complies with the following requirements

- » The Companies Act 2013
- » The Indian Accounting Standards
- » The Securities and Exchange Board of India (SEBI) Regulations 2015
- » The Secretarial Standards issued by the Institute of Company Secretaries of India

The report presents contributions to

- » United Nations Sustainable Development Goals (UN SDGs)

Responsibility Statement

The management has evaluated the contents presented in this Report and assured its integrity to the best of their knowledge in the capacity of Those Charged With Governance (TCWG). The Board approved the publication of this Report on May 10, 2024.

Forward-looking Statements

Certain statements in this Report regarding Thermax's business operations may constitute forward-looking statements. While these statements reflect our expectations, several risks, uncertainties and other important factors could materially cause actual results to differ.

External Assurance

Limited assurance on BRSR Core KPIs has been provided by Price Waterhouse Chartered Accountants LLP, in accordance with the Standard on Sustainability Assurance Engagements 3000 "Assurance Engagements on Sustainability Information" and the Standard on Assurance Engagements 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



Our Strategic Objectives

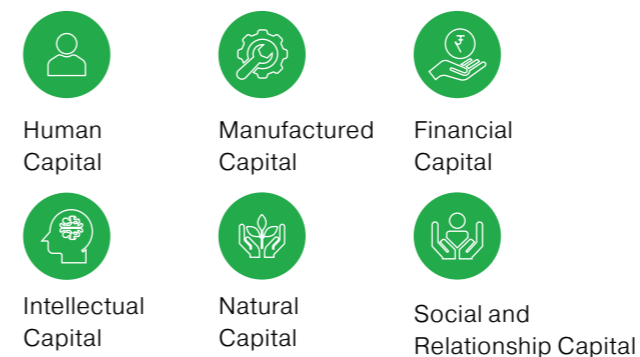
- SO1** Innovate for Energy Transition
- SO2** Strengthen Solutions Businesses
- SO3** Scale Up Businesses Relating to Sustainability and Urbanisation
- SO4** Drive Digital Transformation
- SO5** Build an Agile, Market-Responsive Organisation Structure
- SO6** Energise the Core

and Assurance Standards Board. The assurance report attached as part of the BRSR, contains details of the subject matter, criteria, procedures performed and limited assurance conclusion.

Approach to Materiality

- » To identify material issues
- » To evaluate current status
- » To map ambitions against issues
- » To identify key actionable areas

Our Capitals



Sustainable Development Goals



STAKEHOLDER WISE HIGHLIGHTS

Forging Partnerships for Excellence



Owners and Shareholders



Rs. 9,323 crore
Total Revenue

43%
Profit after Tax Growth

Rs. 12
Dividend Declared Per Share

[Read more on pages 36-37](#)



Customers



Rs. 9,355 crore
Order Book

Rs. 2,048 crore
International Revenue

Rs. 10,111 crore
Order Balance

[Read more on pages 38-41](#)



Employees



4,127
Total Permanent Staff Employees

9.4%
Gender Ratio

7.5%
Regrettable Attrition

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



Vendors and Business Partners



10,282
No. of Orders through Channel Network

4,323
No. of Micro and Small Suppliers

147
No. of Channel Partners

[Read more on pages 48-49](#)



Communities and Academic Groups



Rs. 8.15 crore
CSR Expenditure

9,513
Government Schemes Facilitated

5,415
No. of Student Beneficiaries

[Read more on pages 50-53](#)



Planet



2,61,246 m³
Water Reused and Recycled

13,754 tCO₂e
Carbon Emission Reduction

6,372
Trees Planted (Saplings)

[Read more on pages 54-57](#)



Government Authorities



Rs. 26.2 crore
Investment by Government in Our R&D Projects

[Read more on pages 58-59](#)

CORPORATE OVERVIEW

Exploring Thermax at a Glance

Headquartered in Pune, Thermax Limited (NSE: THERMAX) was incorporated in 1980. Today, we are a leading Company in the energy and environment space and a trusted partner in energy transition. Our extensive portfolio offers solutions in heating, cooling, power generation, water & wastewater treatment & recycling, pollution inhibition, and chemicals, prioritising clean air, energy, and water. Leveraging our longstanding industry partnerships, we ensure a unified energy and environment management experience.



20
Indian Subsidiaries

14
Manufacturing Facilities
(10 in India and 4 overseas)

20
International Subsidiaries

30+ Countries
Sales and Service Presence

5,225
Permanent Employees
Including Workforce, Globally

Key Highlights of FY 2023-24

- » Recorded a consolidated revenue of Rs. 9,323 crore in FY 2024, up by 15% compared to Rs. 8,090 crore in FY 2023. Consolidated Profit After Tax (PAT) stood at Rs. 643 crore, up by 43% compared to Rs. 451 crore in the previous year. Order booking for the year at a consolidated level stood at Rs. 9,355 crore, up by 6% compared to Rs. 8,788 crore in FY 2023.
- » For over 50 years, Thermax has been a pioneer in delivering innovative energy solutions. Recognising the global imperative for industrial decarbonisation, and our ability to play a significant role in facilitating this transition, we repositioned ourselves as a 'Trusted Partner in Energy Transition' in June 2023.
- » Received the prestigious IMD Global Family Business Award 2023 at the 32nd Family Business Network (FBN) Global Summit held in Paris, France. Chosen amongst leading family businesses worldwide, this accolade underscores Thermax's excellence as a family enterprise not just in India but also as a benchmark globally.
- » Thermax's subsidiary, Thermax Babcock and Wilcox Energy Solutions Limited (TBWES), shipped out its first consignment consisting of a fleet of 17 assembled modules for a leading waste to energy technology OEM (original equipment manufacturer) in Europe, which is a part of a prestigious waste to energy project in the United Kingdom.

Thermax's Business Philosophy



Vision

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



Values

- » Respect
- » Commitment
- » Honesty and Integrity
- » Concern for Society and the Environment



Ethos

Our business ethos is rooted in good governance. We respect and balance the interests of our diverse stakeholders.

Business Segments



Industrial Products

- » Air Pollution Control
- » Cooling
- » Heating
- » Water and Waste Solutions
- » Specialised Services

Read more on pages 66-74



Industrial Infra

- » Boilers and Fired Heaters
- » Projects and Energy Solutions
- » Specialised Services

Read more on pages 75-81



Green Solutions

- » Build-Own-Operate
- » Energy Management Solutions
- » Green Hydrogen Projects
- » Renewable Energy (Solar/Wind)

Read more on pages 81-84



Chemical

- » Construction Chemicals
- » Ion Exchange Resins
- » Oil Field Chemicals
- » Performance Chemicals

Read more on pages 85-86

Industries Served

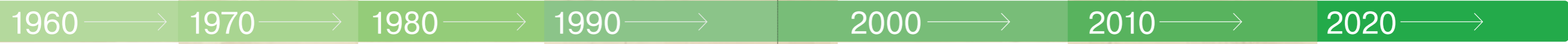
- » Agriculture and Allied Industries
- » Automobile and Auto Components
- » Aviation
- » Biotechnology
- » Cement
- » Chemicals
- » Construction
- » Engineering and Capital Goods
- » Food and Beverages
- » FMCG
- » Healthcare
- » Hospitality
- » Infrastructure
- » IT & Data Centre
- » Manufacturing
- » Medical Devices
- » Metals
- » Oil & Gas
- » Paper & Pulp
- » Pharmaceuticals
- » Power
- » Renewable Energy
- » Rubber
- » Telecommunications
- » Textiles
- » Wood

THE JOURNEY OF THERMAX

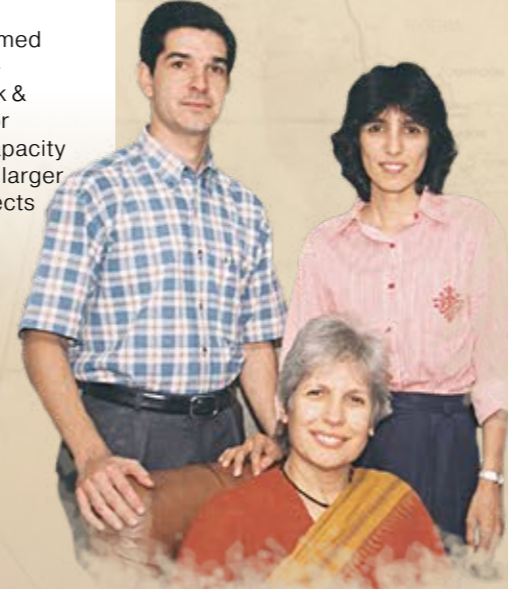
Tracing Our Milestones



- 1966**
 - » With an equity capital of Rs. 3 lakh, a 5,000 sq. ft. shed, and a team of 50-odd enthusiastic people, A. S. Bhathena-led Wanson (India) started its operations in Mumbai, Maharashtra
 - » In collaboration with Wanson (Belgium), we started manufacturing small coil-type packaged boilers (Vaporax)
 - » In the first year, our Company employed 145 people and posted a turnover of Rs. 20 lakh
 - » A. S. Bhathena was appointed as the Managing Director
- 1973**
 - » Triggered by a fuel shift due to a rise in crude oil prices, Wanson (India) developed Multitherm, India's first packaged water tube boiler for Indian coal
- 1975**
 - » Entered the water treatment business to complement the boiler business and subsequently introduced new technologies
- 1980**
 - » With the end of the collaboration, Wanson India became Thermax Pvt. Ltd. with 'Conserving Energy, Preserving the Environment' being adopted as the corporate vision
- 1981**
 - » R. D. Aga (son-in-law of A. S. Bhathena) was appointed as the Chairman and Managing Director of Thermax Pvt. Ltd.
 - » Expanded the energy portfolio and laid the foundation for the cogeneration business by reusing combustible waste gases to generate energy
- 1992**
 - » Combined Heating and Power Group (CHAP) was formed, which later became the Cogen division
- 1995**
 - » Became a publicly listed company
- 1996**
 - » In February, Anu Aga was appointed as the Executive Chairperson after R. D. Aga's sudden demise due to a heart attack
- 2000**
 - » Acquired the boiler company, M E Engineering Ltd. in the UK
 - » Received ISO 14001 certification for its manufacturing facility at Chinchwad
- 2001**
 - » Thermax started its subsidiary company, Thermax Inc., in the US
- 2004**
 - » The Board appointed Meher Pudumjee as the Chairperson
- 2010**
 - » Signed a technology transfer agreement with Lambion Energy Solutions GmbH, Germany, to generate energy from waste
 - » Acquired European boiler maker, Danstoker A/S to reinforce our initiatives in renewable energy
- 2012**
 - » Acquired Rifox - Hans Richter GmbH Spezialarmaturen, a German steam products company, a strategic fit for our Company's steam engineering business
- 2016**
 - » Celebrated 50 years of success
- 2021**
 - » Expanded the renewable energy business to offer solutions in wind and batteries, besides solar, on an opex basis under First Energy Pvt. Ltd. (FEPL)
- 2022**
 - » In a move towards digital transformation, Thermax introduced the customer portal Edge along with an AI & ML-based asset performance enhancement solution called Edge Live
 - » Formed Thermax Bioenergy Solutions Pvt. Ltd. (TBSPL) to offer bio-CNG turnkey projects

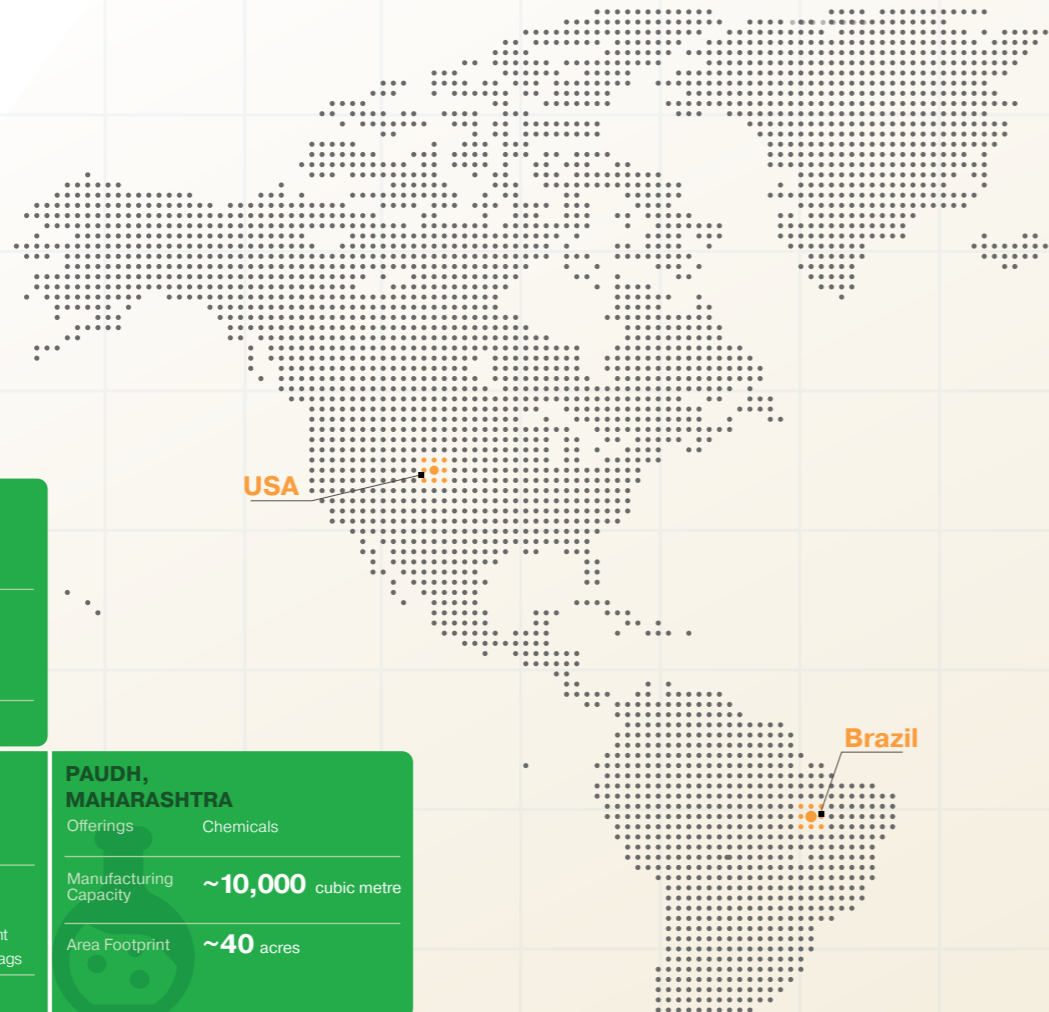


- 1967**
 - » Introduced the Indian industry to the concept of thermal oil heating with Thermopac – a generic name for thermal oil heaters in India today
- 1976**
 - » Acquired Tulsi Fine Chemicals, which went on to become the Chemical division of our Company
- 1979**
 - » In a synergistic move, we started the Enviro division for air pollution control equipment
- 1987**
 - » Thermax introduced vapour absorption machines in collaboration with Sanyo, Japan
- 1989**
 - » Our Company formed the joint venture – Thermax Babcock & Wilcox Pvt. Ltd. for building higher capacity boilers to acquire larger EPC turnkey projects
- 1996**
 - » In February, Anu Aga was appointed as the Executive Chairperson after R. D. Aga's sudden demise due to a heart attack
- 2005**
 - » To achieve synergies in related businesses, our Company's six core businesses were restructured into three groups – Cooling & Heating, Chemicals & Water and Projects
 - » Thermax was among the 20 Indian companies featured in the Forbes Asia 'Asia's Best under a Billion' list
- 2007**
 - » Signed a technology agreement with Balcke-Dürr GmbH, Germany – an air pollution control leader – to access untapped domestic and overseas markets
- 2009**
 - » Thermax Onsite Energy Solutions Limited (TOESL) was incepted to offer green utility delivery solutions under the build-own-operate model
- 2017**
 - » Inaugurated a new manufacturing facility in Indonesia, expanding our footprint in international markets, especially the ASEAN countries
 - » Commenced the commercial production of ion exchange resins at the chemical factory in Dahej, Gujarat, to serve global markets
- 2018**
 - » Completed the acquisition of the shareholding of Babcock & Wilcox India Holdings Inc. in the joint venture, Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. (TBWES)
- 2019**
 - » Inaugurated a state-of-the-art manufacturing facility at Sri City, Andhra Pradesh
 - » Acquired the entire stake in Thermax SPX Energy Technologies Ltd. (TSPX)
- 2023**
 - » Forayed into green hydrogen
 - » Thermax repositioned itself as a 'Trusted Partner in Energy Transition'
- 2024**
 - » Established the first manufacturing facility for water and wastewater treatment in Pune, Maharashtra



OUR GEOGRAPHICAL PRESENCE

Serving Across Nations



PUNE, MAHARASHTRA

Offerings: Water and Waste Solutions

Manufacturing Capacity: **1,300** assemblies for water and wastewater treatment products

Area Footprint: **2** acres

CHINCHWAD, MAHARASHTRA

Offerings: Air Pollution Control, Boilers & Heaters, Process Heating

Manufacturing Capacity: **130** units of large boilers and heaters, **1,600** units of process heating equipment, **1,08,000** fibre glass bags

Area Footprint: **~35** acres

PAUDH, MAHARASHTRA

Offerings: Chemicals

Manufacturing Capacity: **~10,000** cubic metre

Area Footprint: **~40** acres

SHIRWAL, MAHARASHTRA

Offerings: Boilers & Heaters

Manufacturing Capacity: **63** units of large boilers and heaters

Area Footprint: **102** acres

SOLAPUR, MAHARASHTRA

Offerings: Air Pollution Control

Manufacturing Capacity: **7,500** metric tonnes of fabrication

Area Footprint: **25** acres

SRI CITY, ANDHRA PRADESH

Offerings: Absorption Cooling & Heating

Manufacturing Capacity: **450+** units per year

Area Footprint: **40** acres

DAHEJ, GUJARAT

Offerings: Chemicals

Manufacturing Capacity: **~20,000** cubic metre

Area Footprint: **~20** acres

JHAGADIA, GUJARAT

Offerings: Chemicals

Manufacturing Capacity: **~70,000** metric tonnes

Area Footprint: **~20** acres

MUNDRA, GUJARAT

Offerings: Boilers & Heaters

Manufacturing Capacity: **16** units of large flue gas steam generators/utility boilers/heat recovery steam generators - fully assembled plug and play weighing between **750 to 1,700** tonnes

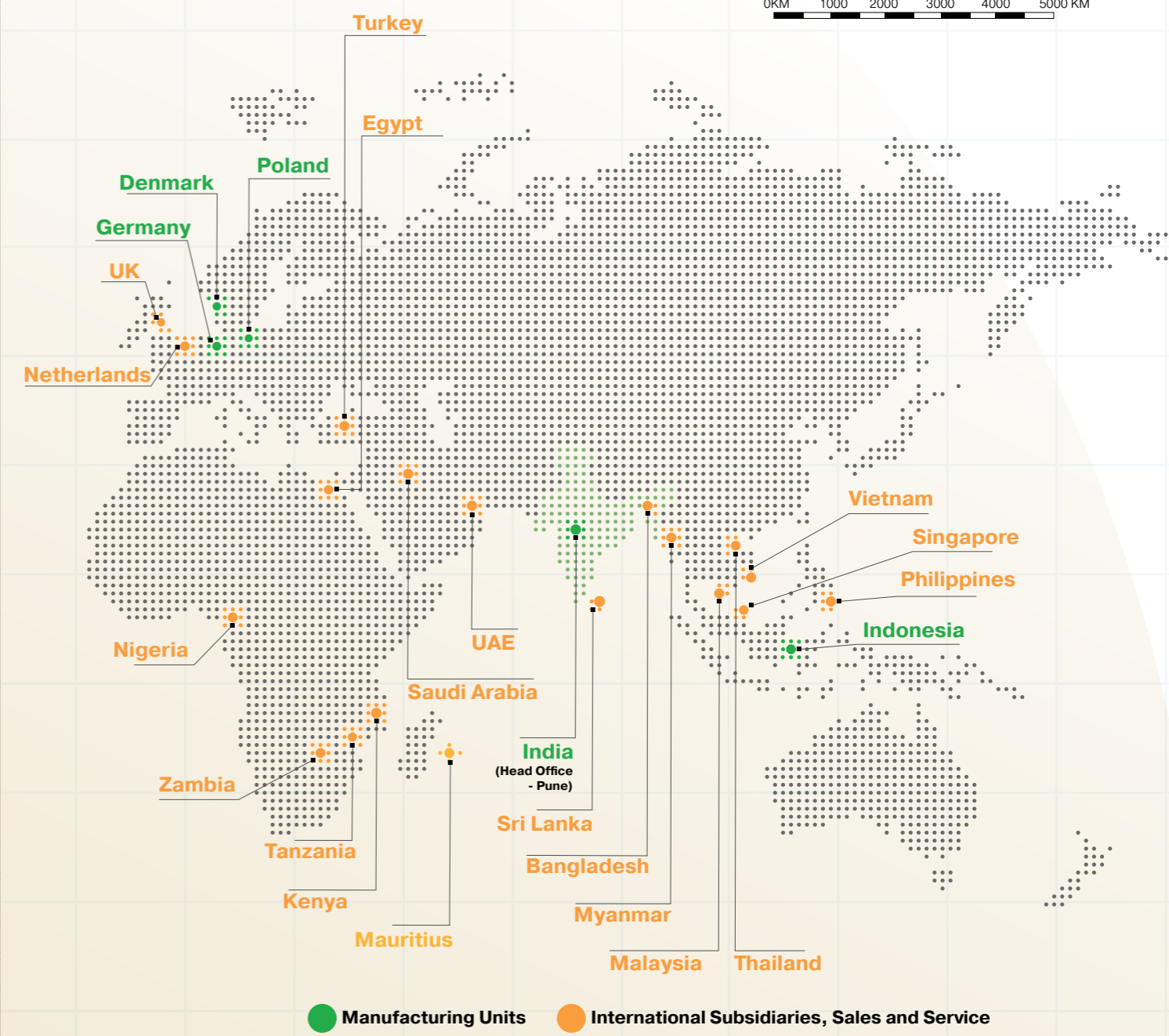
Area Footprint: **8.2** acres

SAVLI, GUJARAT

Offerings: Boilers & Heaters, Process Heating, Steam Accessories

Manufacturing Capacity: **74** units of large boilers and heaters, **350** units of process heating equipment, **10,000** units of steam accessories

Area Footprint: **100** acres



DANSTOKER A/S, DENMARK

Offerings: Process Heating

Manufacturing Capacity: **120+** boilers

Area Footprint: **~11** acres

DANSTOKER, POLAND

Offerings: Process Heating

Manufacturing Capacity: **160+** boilers and pressure parts

Area Footprint: **4.10** acres

RIFOX, GERMANY

Offerings: Steam Accessories

Manufacturing Capacity: **~3,500** units

Area Footprint: **~0.91** acres

PT TII, INDONESIA

Offerings: Process Heating

Manufacturing Capacity: **40** units of process heating equipment

Area Footprint: **11.78** acres

*Manufacturing capacities are on per annum basis

*Manufacturing capacities are on per annum basis

MESSAGE FROM THE CHAIRPERSON

Building a Sustainable Future Together



“Thermax continues to drive progress in clean air, clean energy, clean water, and the chemical verticals through its engineering and innovation prowess. With energy and environment at the core of our vision, and with climate change increasingly becoming a pressing concern, we have delved internally, to reflect and align ourselves with the changing energy landscape and meet the demands of our customers.”

- Meher Pudumjee

My Dear Stakeholders,

Reflecting on a year that saw significant strides in our energy transition efforts and a fairly strong performance on the business front, I am pleased to present the Annual Report for FY 2023-24.

Almost all our strategic business units have done well, even though orders were slightly low paced. The year witnessed a growth in revenues and a healthy growth in EBITDA, along with strategic partnerships and investments in new energy areas, including renewable energy, waste heat utilisation, and green solutions, among others.



Beyond business pursuits, FY 2023-24 also brought with it numerous accolades for the Company. I am delighted to mention that we received the prestigious IMD Global Family Business Award in November 2023. I am proud that Thermax is only the second Indian organisation in around 25 years to win the much-coveted award. The award recognises family businesses' contribution to the global economy and their adherence to best business practices. It reaffirms our commitment to sustainability, ethical conduct, core vision and values, culture, resilience, adaptability, and being a role model. Kudos and a big thank you to all our employees, past and present, as well as all our other stakeholders/partners.

In another notable achievement, Thermax has been certified as a 'Great Place to Work'. The recognition reflects our dedication to nurturing a supportive, collaborative, and inclusive work culture where everyone feels valued, trusted, respected, and empowered to succeed.

Business Growth and Focus on Clean Solutions

The year gone by witnessed significant growth across our businesses, bolstered by a diverse range of orders secured across different segments. Thermax continues to drive progress in clean air, clean energy, clean water, and the chemical verticals through its engineering and innovation prowess.

With energy and environment at the core of our vision, and with climate change increasingly becoming a pressing concern, we have delved

internally, to reflect and align ourselves with the changing energy landscape and meet the demands of our customers. Thus, starting at our Board Retreat, we have expanded and redefined our strategic objectives into six revised imperatives – SO1: Innovate for Energy Transition, where our focus will be to develop products and technologies suitable for energy transition; SO2: Strengthen Solutions Businesses – expand our capabilities to provide long-term industrial utility services; SO3: Scale Up Businesses Relating to Sustainability and Urbanisation – grow our water, cooling and chemical businesses; SO4: Drive Digital Transformation – enhance our digital prowess to improve efficiency both within and outside the organisation; SO5: Build an Agile, Market-Responsive Organisation Structure – align the organisation to suit evolving market needs; and SO6: Energise the Core – where we continue to build on our products, projects and services portfolios, which include domestic and selective overseas markets.

While we achieved many highs in the financial year, there were strategies that did not work in our favour. Our MOU with Fortescue Future Industries (FFI), Australia, unfortunately, did not materialise as we could not agree on the terms of collaboration and associated modalities for setting up an electrolyser manufacturing plant.

Meanwhile, to advance our efforts, we have set up a dedicated Green Hydrogen strategic business unit (SBU), which has commenced operations. The SBU has started offering engineering, procurement and construction (EPC) solutions for green hydrogen and will be expanding its operations by selectively setting

up build-own-operate (BOO) projects and undertaking localisation of electrolysers, in time.

We continue to face multiple technology scale-up challenges in the bio-CNG space, particularly in converting rice straw to gas. However, the team is working relentlessly to overcome the difficulties, so that hopefully over time, rice straw and municipal solid waste (MSW) can generate a sufficient yield of bio-CNG sustainably.

Last year, we reported a negative arbitration award of ~ Rs. 218 crore imposed on the Company. The award has been appealed by the Company before the Hon'ble Bombay High Court. A stay has been granted, and we are awaiting the final outcome of the case.

However, overall, I am glad to report that Thermax has delivered a strong performance with the highest-ever revenue and profits.

Partnering with Our Stakeholders

We are making a strategic shift to navigate the rapidly changing energy landscape driven by our sustainability goals. We have evolved to be a trusted partner to our customers in their energy transition journey.

To showcase these green solutions to our stakeholders firsthand, we coined the 'Thermax Fest' – our first-of-a-kind flagship event. Held in December, the event was a four-day exposition of our innovative and green offerings. It was an excellent platform that helped us open the gates to our stakeholders – media, customers, investors and analysts, as well as our employees – many of

MESSAGE FROM THE CHAIRPERSON

whom were not aware of all the new businesses Thermax is into.

There was a keen interest in our products and projects, with many questions revolving around bio-CNG, electric boilers, MVR (mechanical vapour recompression), FlexiSource™, chemicals, gas cleaning, coal gasification plants, and green hydrogen. Many of these areas that Thermax is getting into are new, and if done well, can be a game changer over time, for the environment, for our country and our people. Not all may take off, but that's fine, since they need to be viewed as start-ups.

Building the Future Responsibly

We are creating better work opportunities for our employees, young and older. After restarting the Senior Leadership Development Programme (SLDP) last year, we are also partnering with our young leaders, through the Young Leadership Development Programme (YLDP) to nurture and grow our internal talent pool. YLDP is a comprehensive year-long programme structured to equip our high potential leaders with the required skills, vision, values, and adaptability to lead the Company.

We have been taking small but steady steps towards improving the DEI ratio in the organisation. Although still very low, we have begun to move the needle to 9.4% women in our workforce, entirely based on merit, which was 6.5% for years. We would like to increase this to 15%, hopefully by next year. Over and above this, our aim is to foster inclusion, moving beyond just women representation.

Thermax celebrates the completion of 25 years of our employees (both staff and shop floor) with the Company every few years. We had three iterations of the event this year, which provided an opportunity for the family and management to interact with employees and their family members and share heartfelt stories. We are grateful to them and their families for all their contributions.

Reaching Out to Communities

While navigating through our business priorities, we have remained steadfast in our commitment to society at large.

I am very happy to share that our Social Compact or SoCo programme, launched during the pandemic, entered phase 2. Thermax has introduced a toll-free helpline number with regional language support, ensuring grievance redressal for migrant / informal workers in our ecosystem, within 48 hours. The Company has also distributed Yojana cards to these workers, empowering them



“Thermax Foundation, through our longstanding partner NGO Akanksha Foundation, continues to bring economically underserved children under the ambit of education and support their journey towards a promising career path.”

with seamless access to government social security information and schemes.

Thermax Foundation, through our longstanding partner NGO Akanksha Foundation, continues to bring economically underserved children under the ambit of education and support their journey towards a promising career path.

The Foundation has also been running community programmes across sites where we operate and maintain our equipment over long periods of time. During the year, TOESL (Thermax Onsite Energy Solutions Ltd.) inaugurated its first community facilitation centre in Sahibabad, Uttar Pradesh, as part of Mission Judaav, a joint initiative of Thermax Foundation and Saaras Foundation. This initiative supports financially vulnerable and marginalised communities by improving access to government welfare programmes and addressing policy implementation gaps.

Our worker facilitation centres (WFC) – one in Pune (Maharashtra) and the other in Savli (Gujarat), facilitate awareness and access to government schemes to all migrant and informal workers in the area. Our endeavour is to expand the reach of these beneficiary schemes to more informal workers by providing them the necessary support, thus alleviating socio-economic challenges coming their way.

Thank You All

On behalf of the Board, I extend my heartfelt thanks to Ashish Bhandari, our MD and CEO, who is spearheading our transition towards becoming a trusted partner to our



(From left) Non-Executive Director Pheroze Pudumjee, Former Chairperson Anu Aga and Chairperson Meher Pudumjee receive the IMD Global Family Business Award at the 32nd Family Business Network (FBN) Global Summit held in Paris, France

customers in their energy transition journey. Thank you to all our EC & SBU Heads and all our employees for their hard work, dedication, and belief in the organisation.

I would also like to express my sincere appreciation to the Board of Directors for their guidance and support throughout the year. This year marks the superannuation of Nawshir Mirza, Independent Director and Chairman of the Audit Committee and Risk Management Committee, who has been a strong guiding force for the company for the last 13 years. His leadership and vision have been instrumental in shaping the Company's growth with strong internal controls and a constant emphasis on sustainability – carbon and water footprint, as well as corporate governance. As he transitions into retirement, I thank him

on behalf of our Board and wish him and his family all the very best.

Along with Nawshir, we also have Dr. Jairam Varadaraj superannuating this year. He has been an Independent Director of the Company for 21 years and has played a very active role in four Board committees. Even though he manages his own Company very successfully, Jay has always taken time out for Thermax. Since assuming the role of Chairperson, I have been working very closely with him. His depth of experience, strategic insights, people management skills, and attention to detail have been pivotal in shaping the direction of our Company.

We extend our heartfelt thanks and wish them the best of health and happiness. We will all miss Nawshir and Jay immensely, but know that they are always a phone call away.

I am very happy to welcome Shyamak Tata to the Thermax Board. Shyamak brings with him 35 years of experience, and holds expertise in finance, strategic planning, board governance, policy shaping, audit & assurance, and accounting. His multi-disciplinary industrial experience will be invaluable as we navigate the exciting opportunities that lie ahead. Thank you Shyamak.

I also take this opportunity to express my deep gratitude to all our stakeholders - our employees, customers, vendor partners, investors, and business associates, for their continued trust and support. Together, let us continue to build a brighter, more sustainable future.

Warmly,

Meher Pudumjee
Chairperson

MESSAGE FROM THE MD & CEO

A Year of Transformation in Building an Energy Transition Company



Dear Stakeholders,

It is with great pleasure that I present to you Thermax's Integrated Annual Report for FY 2023-24. On operating metrics, we did a good job of translating revenue growth into a better bottom line with improved gross margin and profitability percentages. However, orders were muted, as some of the larger projects from segments of steel, cement, refining and petrochemical fell short of expectations. In FY 2024-25, based on an improved enquiry pipeline, and a healthy macro-economic climate in India, there is an anticipation of renewed growth. Our focus remains on building new capabilities as a partner to our customers as they navigate energy transition. In my message to you, I would like to share this journey of building new capabilities.



“As a Company that has been part of India's energy spectrum for more than 50 years, Thermax has consistently served as a trusted partner to its customers in fulfilling their energy requirements. Thermax is evolving to become a go-to solutions provider for implementing new-age energy solutions.”

- Ashish Bhandari

India and the World

India's GDP grew by 7.6% in FY 2023-24, the highest growth globally clocked by a major economy on the back of infrastructure spend, private capex and buoyant consumer expenditure. The manufacturing PMI in India stood at a 16-year high at 59.1 in March 2024. The Index of Industrial Production (IIP) was up 5.8% for FY 2023-24. The largest democracy in the world underwent elections this year, a once in five years exercise. The election results indicate continuity with an expectation of investment in the manufacturing sector to carry forward the growth momentum.

While the Indian economy remains on a firm ground, the global situation remains mixed. The world economic growth stood at 3.2% for 2023, aided by better than expected growth in the US economy. However, other developed economies experienced subdued growth constrained by regional weaknesses, high interest rates, and geopolitical factors.

Energy Transition

Amidst the economic challenges, energy transition trends continue to accelerate worldwide. Globally, the capacity for renewable power generation is expanding more quickly than at any time in the last 30 years, according to the International Energy Agency (IEA).

In India too, significant strides are being made towards embracing

renewable energy sources, particularly green hydrogen and solar power. The country added 18.5 GW of renewable capacity in FY 2023-24, out of which 15 GW was from solar energy. The country's total installed power generation capacity now stands at 442 GW, of which 144 GW (33%) is from renewable sources. With solar installed capacity soaring over six-fold, from 12 GW in FY 2014-15 to over 75 GW by 2024, India ranks as the third-largest country in terms of solar installations. Going ahead, India is aiming for a 500 GW of renewable energy installed capacity by 2030, and targets to produce 5 million metric tonnes of green hydrogen by 2030. Given its 2070 net zero commitments, the government is supporting initiatives in renewable energy, green hydrogen, and biofuels among others.

Other Key Trends

Artificial Intelligence (AI) has entered our consciousness this year. Large language models (LLM) based generative AI will influence all spheres of economic activity in the near future. Companies adept at digital will be the future leaders in their respective industries.

Rapid urbanisation and economic growth in India and other growing economies continue to be accompanied by worsening environmental parameters. One of the most significant issues is the persistent problem of stubble burning in the northern states

of India, particularly Punjab and Haryana, which is a major cause of pollution, choking the northern region including Delhi. Meanwhile, cities like Bengaluru are facing an equally critical environmental challenge – water scarcity. The country also experienced one of the hottest summers ever this year.

Energy transition, artificial intelligence and machine learning, and rapid urbanisation are all trends that offer significant opportunities for Thermax to deliver new business models while making the world around us a better place.

Building New Capabilities

New capacity

Thermax's new manufacturing plant for water and wastewater treatment solutions is a symbol of a larger transformation of our Water and Waste Solutions (WWS) business as it delivers superior engineered products in a timely manner. The new Chemical plant in Jhagadia, Gujarat, while under construction, is already being modified to increase capacity and add new product lines. Capacity enhancement is also underway at our Chinchwad (Pune) plant for our Heating business to cater to the rising market demand.

Stabilising new platforms

In Thermax Onsite Energy Solutions Ltd. (TOESL) business, our backward integration into the supply chain of biomass is maintained through

MESSAGE FROM THE MD & CEO

10 dedicated briquetting facilities. We are collaborating closely with farmer produce organisations (FPOs) for efficient procurement and pricing, while also enabling farmers to generate an additional revenue stream. These facilities commissioned in FY'24, have a cumulative production capacity of more than 200 tonnes per day (TPD), ensuring a steady supply of high-quality briquettes for our operations. TOESL is one of the early adopters of the SoCo 2.0 initiative, which has mobilised around 236 workers at 11 sites located in Maharashtra and Karnataka, ensuring access to government schemes.

The wind-solar hybrid renewable energy platform at First Energy Private Limited (FEPL) is expanding with new projects. Long duration battery energy storage systems (BESS) is increasingly becoming part of the discussion with industrial customers. However, improvement is needed in asset management to ensure that renewable assets deliver at their committed throughput. The bio-CNG business is a critical area of focus where the need for plant stabilisation is high. The opportunity to build a long-term business exists, but currently, we are working through operating challenges that require a novel approach.

EDGE Live, though relatively new, is already assisting many customers in enhancing uptime, improving energy efficiency and safety, and enabling data-driven decision-making, supported by predictive capabilities. We are continually investing in enhancing the digital platform further, both in terms of feature

“EDGE Live, though relatively new, is already assisting many customers in enhancing uptime, improving energy efficiency and safety, and enabling data-driven decision-making, supported by predictive capabilities.”

expansion and technological depth. The infrastructure now supports autoscaling and disaster recovery for faster scalability and reliability. Many new predictive models have been added as we broaden the platform to cover more asset classes.

New products

During the year, we have introduced many products in line with our strategy to innovate for energy transition. These include an electric heater, a reciprocating grate biomass-fired boiler, an enhanced multi-fuel fired solution, a hybrid heat pump, solid fuel fired thermic fluid heater, upgraded oil & gas fired steam boiler, multi-fuel flexible steam boiler, ultrafiltration membrane system, mechanical vapour recompression based ZLD, and gas purification and upgradation technology, to name a few. Besides being environmentally compliant, these products are aesthetically designed, compact and modular, offering a reduced footprint, lower operating costs, and improved efficiency.

New partnerships

The theme of partnerships for FY 2023-24 remains strong. Thermax signed an agreement to acquire a 51% stake in TSA Process Equipments. This is a strategic addition to Thermax's portfolio that will enable the Company to offer a one-stop solution for high-purity water requirements of its customers in sectors such as pharma, biopharma, personal care, and food and beverages. We are actively exploring new partnerships to expand our chemical business. While some M&A (merger and acquisition) transactions concluded this year, not all could materialise. We are accelerating the due diligence process for small sized acquisitions to expedite future growth opportunities. Our Green Hydrogen business is actively pursuing strategic options, and we are confident of substantial progress in the coming months.

New people capabilities

Last year, I wrote about developing a performance-driven culture at Thermax. In line with this endeavour, this year we focussed on leadership training. We created a detailed training curriculum for executives (ELDP), senior leaders (SLDP) and young talent (YLDP). As part of these programmes, 75 individuals were trained through year-long interventions that included teaching by some of the best international faculty with experiential learning. Thermax has been able to achieve a substantial reduction in its attrition from FY 2022-23. However, attrition among early-tenured employees

“We acquired a 51% stake in TSA Process Equipments, augmenting our water division's capabilities to provide customers with end-to-end solutions for highly purified water, ultra-pure water, and water for injectables in several fast-growing industries.”

remains high, and this is an area we need to improve. Similarly, while female participation is getting better, we have to do more to attract more women in operational and leadership roles.

New initiatives

In many ways, as you can see from some of the examples of building new capabilities that I have shared above, Thermax is a Company in transition. We have a strong core around which we are adding and sculpting several new pieces that will enable the Company to thrive in the years to come. To share some of our new capabilities with the external world, our customers especially, we undertook two events – Thermax Fest and Thermax Roadshow – Rediscover that were both well organised and very well received.

As an extension to Thermax Fest, Roadshow – Rediscover was held



The Hyderabad team at Thermax Roadshow – REDISCOVER

across regions in India. As part of this programme series, I had the opportunity to meet over 100 CEOs and business leaders across multiple cities in India. I was enthused by the general positivity leaders had for the business environment and the connect with Thermax's message and burgeoning capabilities around energy transition.

In Conclusion

During my time at Thermax, one of my biggest learnings has been to witness the Thermax Board in action. Led by Meher, the directors are all leaders in their domain who are, in their unique ways, deeply passionate about Thermax. As I thank all our employees, our customers, our vendors for delivering a fantastic year, I would like to specifically acknowledge Nawshir Mirza and Jairam Varadaraj for their immense contributions as Independent

Directors of Thermax. Personally, the relative ease with which I fit into the company, significant credit goes to Nawshir and Jay. Their approach to their work and to life has left an indelible mark. As they retire from the Thermax Board, I wish them continued success.

Best Regards,

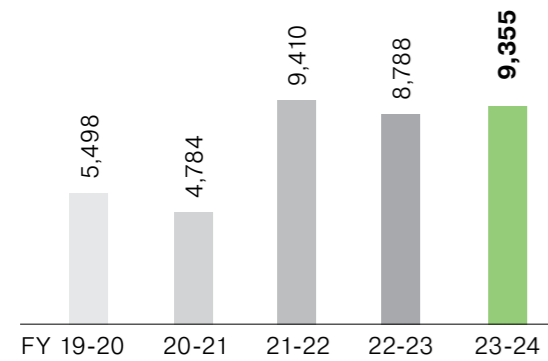
Ashish Bhandari
MD & CEO

KEY FINANCIAL INDICES

Charting Steady and Consistent Progress

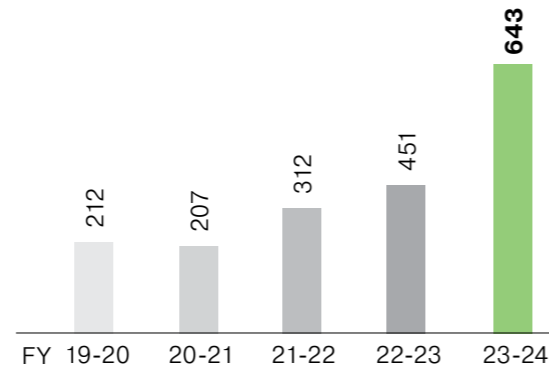
Order Booking

(Rs. in crore)


14%

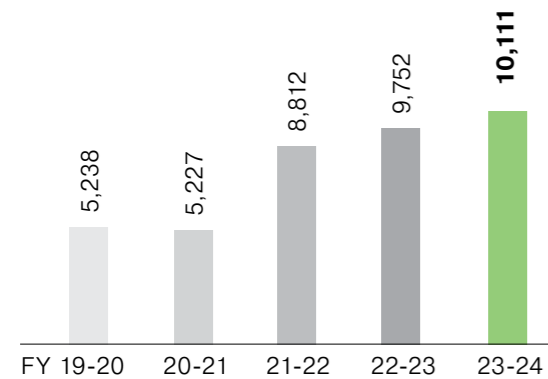
Profit After Tax (PAT)

(Rs. in crore)


32%

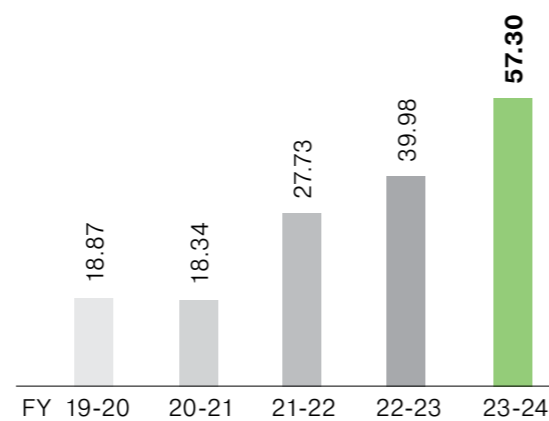
Order Balance

(Rs. in crore)


18%

Earnings Per Share (EPS)

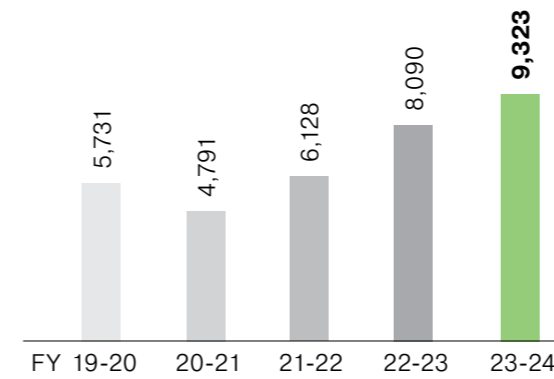
(Rs.)


32%

● 5-year CAGR

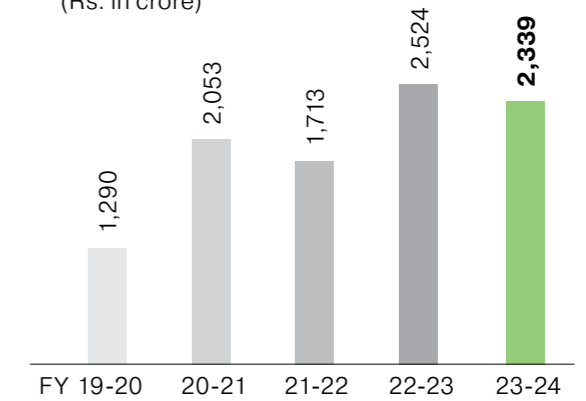
Revenue from Operations

(Rs. in crore)


13%

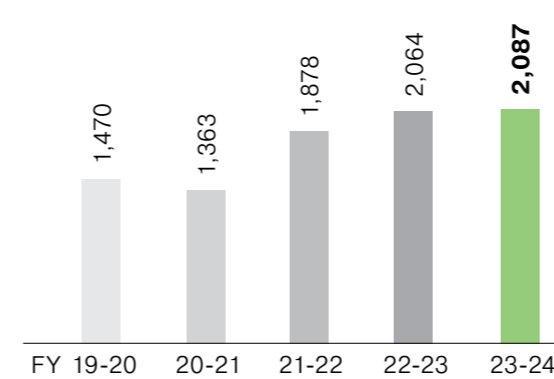
Cash and Cash Equivalents Including Current Investments

(Rs. in crore)


16%

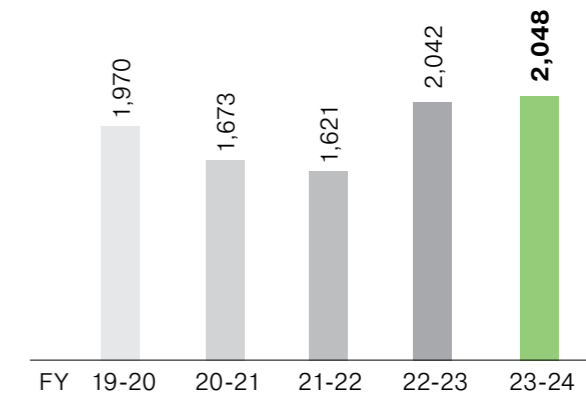
International Order Booking

(Rs. in crore)


9%

International Revenue

(Rs. in crore)


1%

● 5-year CAGR

AWARDS AND ACCOLADES

Recognising Our Achievements



Group Chief Financial Officer Rajendran Arunachalam (second from right) accepts the Golden Peacock Award at an awards ceremony held in London (UK)

The Best Business Led by a Woman

Thermax clinched the coveted 'Best Business Led by a Woman' award in the Giga category at the Moneycontrol Indian Family Business Awards 2022, held in New Delhi. The prestigious award recognises family-owned enterprises that play a crucial role in shaping and transforming India's economic and social fabric. The recognition reflects Thermax's pursuit of excellence and innovation, driven by exceptional leadership.

Act of Compassion Awards

Thermax Foundation emerged as a winner among over 120 entries to bag the prestigious Act of Compassion Awards in the 'Education and Skill Building' category. This recognition, a collaboration between The Times of India and Grant Medical Foundation's Ruby Hall Clinic, celebrates impactful social initiatives. This win is a beacon to Thermax Foundation's commitment to empowering communities through education and skill development.

TCM Awards

Thermax's Heating and Chemical businesses achieved Level 3 (Operational Level) in the 'Total Cost Maturity Model' at the Confederation of Indian Industry's Total Cost Management movement. A distinguished jury panel conducted thorough evaluations, affirming the businesses' commitment to innovative and holistic cost management strategies for sustainable outcomes.

India Leadership Forum and Awards 2023

Thermax's Chemical Procurement Team won the 'Excellence in Procurement' honour at the 5th Procurement India Awards. The award emphasises Thermax's commitment to building sustainable value chains through enduring partnerships with vendors, contractors, and channel associates.

Projects and Energy Solutions won the Gold Award

At the 38th Convention of Quality Circle & Allied Concepts Competition organised by Quality Circle Forum of India (QCFI), which took place in Pune, Maharashtra, Thermax's Projects and Energy Solutions team won the Gold Award for their case study titled 'Improving Machine Run-Time and Saving Money'. It showcased how Thermax's recommendation based on Kaizen technique led the customers to achieve a cumulative saving.

Golden Peacock Award

Thermax won the Golden Peacock Award for 'Excellence in Corporate Governance' in 2023. Initiated by the Institute of Directors, India, in 1991, the Peacock Awards are the benchmark of corporate excellence worldwide.

CII National Energy Efficiency Circle Competition – Innovative Clean and Green Technology Solution Provider

Thermax was acknowledged for its innovative solution, which led to significant water savings in the snacks industry. In a specific instance involving one of the prominent snack manufacturers, conventional wet cooling systems were replaced with advanced adiabatic dry cooling towers, which proved to be a game-changer. This strategic choice facilitated an impressive annual water saving of approximately 51,000 kilolitres.

CII – Andhra Pradesh Safety Excellence Award 2023 – Gold

Thermax's Sri City facility was honoured with the prestigious Gold award at the third edition of the Confederation of Indian Industry (CII) Andhra Pradesh Industrial Safety Excellence Awards 2023. Despite tough competition from over 500 organisations across different segments, we stood out for our firm commitment to safety.

FIEO Export Excellence Awards

Thermax was recognised for outstanding contributions in exports under two categories by the Federation of Indian Export Organisations (FIEO) - Western region at the annual Export Excellence Awards ceremony, which was held on March 25 in Mumbai, Maharashtra.



Thermax Foundation team receives the Act of Compassion Award from Nitin Gadkari, Minister of Road Transport and Highways of India

MEET THE BOARD

Our Visionaries



Meher Pudumjee
Chairperson



Nationality: British
Age: 57
DIN: 00019581
Date of Appointment:
January 15, 2001
Tenure on Board: 23 years



Pheroz Pudumjee
Non-Executive,
Non-Independent Director



Nationality: British
Age: 62
DIN: 00019602
Date of Appointment:
January 15, 2001
Tenure on Board: 23 years



Ashish Bhandari
Managing Director and CEO



Nationality: American
Age: 53
DIN: 05291138
Date of Appointment:
June 18, 2020
Tenure on Board: 4 years



Harsh Mariwala
Non-Executive,
Independent Director



Nationality: Indian
Age: 73
DIN: 00210342
Date of Appointment:
November 10, 2016
Tenure on Board: 8 years



Dr. Jairam Varadaraj
Non-Executive,
Independent Director



Nationality: Indian
Age: 63
DIN: 00003361
Date of Appointment:
January 31, 2003
Tenure on Board: 21 years



Nawshir Mirza
Non-Executive,
Independent Director



Nationality: Indian
Age: 74
DIN: 00044816
Date of Appointment:
May 3, 2011
Tenure on Board: 13 years



Rajani Kesari
Non-Executive,
Independent Director



Nationality: Indian
Age: 52
DIN: 02384170
Date of Appointment:
November 14, 2018
Tenure on Board: 6 years



Dr. Ravi Gopinath
Non-Executive,
Independent Director



Nationality: Singaporean
Age: 58
DIN: 00803847
Date of Appointment:
November 10, 2021
Tenure on Board: 3 years



Dr. S. B. (Ravi) Pandit
Non-Executive,
Independent Director



Nationality: Indian
Age: 74
DIN: 00075861
Date of Appointment:
May 30, 2017
Tenure on Board: 7 years



Shyamak R. Tata
Non-Executive,
Independent Director



Nationality: Indian
Age: 61
DIN: 07297729
Date of Appointment:
October 17, 2023
Tenure on Board: 6 months

63 Years
Average Age
of the Board

11 Years
Average Tenure
on the Board

8 Years
Average Tenure of
Independent Directors
on the Board

20%
Female Representation
on the Board

- Audit Committee
- Stakeholder Relationship Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility (CSR) Committee
- Risk Management Committee
- Strategic Business Development Committee

C Chairperson M Member

EXECUTIVE LEADERSHIP

Our Driving Force



Ashish Bhandari
Managing Director and CEO



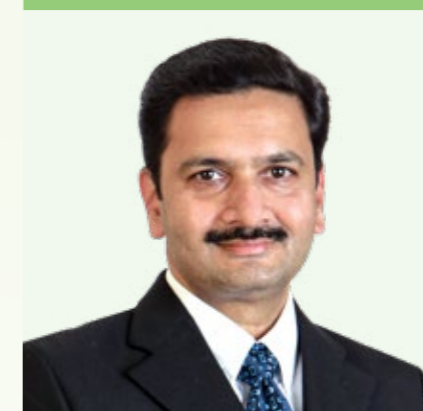
Amit Sethi
Executive Vice President and
Chief Digital and Information Officer



B. C. Mahesh
President and BU Head
Industrial Products



Jasmeet Bhatia
Executive Vice President and
Chief Human Resources Officer



Kirtiraj Jilkar
Executive Vice President and
BU Head – Projects and Energy Solutions



B. C. Rajesh
Executive Vice President and
CEO – TBWES



Dinesh Mandhana
Executive Vice President and
BU Head – Chemical



Hemant Mohgaonkar
Executive Vice President and
BU Head – New Energy



Pravin Karve
President – TBWES and P&ES



Rajendran Arunachalam
Executive Vice President and
Group Chief Financial Officer

Note: The profiles of the Executive Council have been placed in alphabetical order.

VALUE CREATION MODEL

Creating Impact with a Purpose

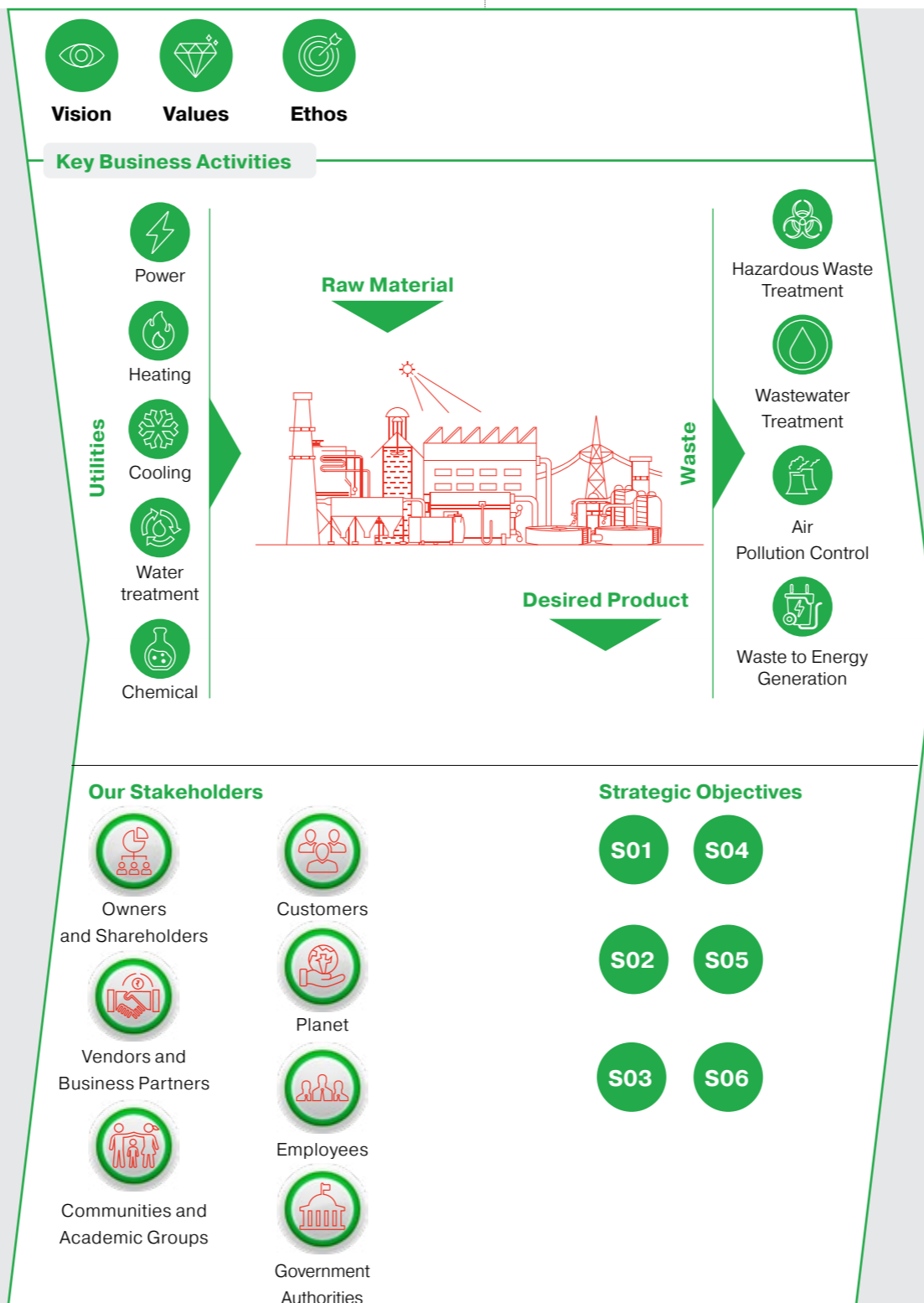
Capital-wise Inputs

Our Value Creation Process

Capital-wise Outputs

	FY 2023-24	FY 2022-23
Financial Capital		
Current Assets (Rs. in crore)	6,448	6,072
Order Booking (Rs. in crore)	9,355	8,788
Net Worth (Rs. in crore)	4,440	3,868
Net Block of Assets (Rs. in crore)	2,431	1,682
Borrowings (Rs. in crore)	1,256	811
Manufactured Capital		
Manufacturing Plants	14	14
Domestic and International Offices	45	56
No. of Project Sites (O&M)	283	283
New Solar / Wind-Solar Project Sites Capacity – Under Open Access	141.8 MWp	27.5 MWp
Material Consumed (Rs. in crore)	5,220	4,625
Human Capital		
No. of HSE Internal Auditors Certified	100	18
No. of Permanent Workmen Deployed	1,098	1,051
No. of Permanent Employees of Thermax Group (Including Subsidiaries and Excluding Workmen)	4,127	3,767
No. of Contractual Workmen	16,245	11,411
No. of Training Man-Hours	72,421	5,640
Intellectual Capital		
R&D Spend as % of Group Turnover	0.40%	0.41%
No. of Employees in R&D Team	43*	71
Investment in Technology/Process Improvement Initiatives (Rs. in crore)	25.3	19.6
Social and Relationship Capital		
Total CSR Spend (Rs. in crore)	8.15	6.86
No. of Suppliers Trained on Sustainability	351	146
No. of Dealers	128	131
No. of Green Channel Vendors	554	266
No. of Micro and Small Suppliers	4,323	3,624
Natural Capital		
Renewable Energy Generated	98,107 GJ (27,252 MWh)	26,747 GJ (7,430 MWh)
Non-Renewable Energy Consumption	2,41,021 GJ (66,950 MWh)	3,15,661 GJ (87,684 MWh)
Water Consumption (Domestic)	8,76,815 m ³	8,13,504 m ³
Capex on Carbon Footprint Reduction Related Projects (Rs. in crore)	11.35 crore	4.10 crore
No. of Zero Liquid Discharge Installations within Thermax Facilities	7	7
Rainwater Harvesting Capacity (Domestic)	44,242 m ³	42,928 m ³

*R&D employees moved to newly incubated businesses requiring focus



	FY 2023-24	FY 2022-23
Financial Capital		
Total Revenue (Rs. in crore)	9,323	8,090
Profit After Tax (Rs. in crore)	643	451
Operating Cash Flow (Rs. in crore)	247	460
Operational EBITDA (Rs. in crore)	860	643
Earnings Per Share (Rs.)	57.30	39.98
Remuneration Including Retirement Benefits to Employees (Rs. in crore)	1,148	955
Manufactured Capital*		
Fixed Asset Turnover Ratio	3.80 times	4.78 times
Total Power Generation Capacity	1,048 MW	867 MW
Power Generated Through Assets Operated and Maintained by Thermax	4,748 GWh	5,189 GWh
Environment-Friendly Vapour Absorption Cooling	68,316 NTR	1,15,655 NTR
Air Treated Through Air Pollution Control Systems	91.84 million m ³ /hour	96.08 million m ³ /hour
Water Treated and Recycled	903 MLD	541 MLD
Heating Solutions – Quantity of Heating Done	4,927 MWTH	4,722 MWTH
Total Chemicals Manufactured	53,194 MT	37,809 MT
Human Capital		
No. of Whistleblower Complaints Resolved (Employee Practices)	18 received and 13 resolved	8 received and 7 resolved
No. of Sexual Harassment Complaints Received and Resolved	1	Nil
Value Added Per Rupee Employee Cost (VAPREC)	Rs. 3.57	Rs. 3.63
Lost Time Injury Frequency Rate (LTIFR)	0.24	0.17
% of Employees With Tenure in Thermax > 10 Years	31%	34%
Intellectual Capital		
No. of Patents Applied and Granted	Applied: 3 Granted: 3	Applied: 6 Granted: 10
No. of Trademarks Registered	Applied: 6 Registered: 1	Applied: 21 Registered: 19
Digitalisation:		
a. No. of Customer Processes/Internal Processes Digitalised	51	15
b. No. of Equipment with Remote Monitoring Functionality	4,670	4,328
Social and Relationship Capital		
No. of Government Schemes Facilitated Through WFCs and CFC Around Our Manufacturing Facilities	9,513	8,979
No. of Student Beneficiaries	5,415	4,108
% of Customer Complaints Resolved	99.5%	98.8%
% of Material Sustainably Sourced	50%	42%
No. of Orders Through Channel Network	10,282	7,351
Natural Capital		
Carbon Emission Reduction (tCO ₂ e)	13,754 tCO ₂ e	5,665 tCO ₂ e
Energy Saved (Energy Conservation and Efficiency Improvement Projects Implemented at Thermax Facilities)	19,590 GJ (5,442 MWh)	19,424 GJ (5,396 MWh)
Water Reused and Recycled (Domestic)	2,61,246 m ³	2,49,510 m ³
Rainwater Harvested	29,017 m ³	25,490 m ³

*Pertaining to customers

STRATEGIC OBJECTIVES

Mapping Strategies for a Sustainable Future

Our strategies are defined by our core values. We prioritise innovation, sustainability, and global expansion, with an emphasis on creating value for our stakeholders while achieving energy efficiency, reducing emissions, and promoting clean energy solutions.



Innovate for Energy Transition

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

- Focus Areas**
- » Develop cutting-edge energy transition products
 - » Foster technology partnerships
 - » Invest in R&D
 - » Penetrate the market with energy transition solutions as One Thermax



Strengthen Solutions Businesses

Definition
Enhance our capabilities to provide long-term utility services

- Focus Areas**
- » Implement build-own-operate (BOO) model for utility delivery services
 - » Provide renewable energy solutions
 - » Offer end-to-end energy management for utilities



Scale Up Businesses Relating to Sustainability and Urbanisation

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

- Focus Areas**
- » Form strategic partnerships and diversify product portfolio
 - » Establish new growth units
 - » Expand manufacturing capabilities and capacities



Drive Digital Transformation

Definition
Leverage digitalisation to improve efficiency both internally and externally

- Focus Areas**
- » Increase digital interventions across processes
 - » Proliferate customer-centric digital platforms
 - » Strengthen cybersecurity measures



Build an Agile, Market-Responsive Organisation Structure

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

- Focus Areas**
- » Expand and diversify businesses
 - » Restructure for sustainable growth
 - » Drive internal changes to mobilise, manage, and retain talent



Energise the Core

Definition
Continue to build on our existing strategic priorities

- Focus Areas**
- » Increase the share of green offerings
 - » Grow services portfolio
 - » Internationalisation

RISK MANAGEMENT

Safeguarding Interests with Foresight

	Definition
Project Execution Risk	<ul style="list-style-type: none"> » Loss of reputation/market share/margin erosion due to inadequate process framework and monitoring of risks during the project lifecycle
Data Governance and Cybersecurity Risk	<ul style="list-style-type: none"> » Inability to identify, classify, document, digitise, and archive business-critical knowledge/information to ensure complete, consistent, reliable, and secure corporate data » Adverse impact on the Company's operations due to cyber attacks and lack of firewalls, encryption, and remote access controls, leading to compromise of confidential data and intellectual property » Inability to continue/recover business operations during any crisis, and/or disaster, with minimal disruption or loss of business
Risk of Climate Change	<ul style="list-style-type: none"> » Impact on business dynamics due to restrictions and increase in compliance on conventional energy
People Risk – Skills and Competencies	<ul style="list-style-type: none"> » Inability to attract talent and plan succession of people for key positions » Inability to minimise / reduce attrition

At Thermax, we understand that risks are an integral aspect of our operations, as we function within a constantly evolving global landscape. To safeguard our stakeholders' interests and strive for optimal performance, we consistently identify, evaluate, and manage risks through a proactive approach.

Mitigation Plan	SDGs impacted	Strategies Impacted
<ul style="list-style-type: none"> » Deployment of robust project management structures across business divisions to monitor and control project execution risks during the project lifecycle » Multiple controls from the proposal to the execution stage enable the Company to take timely measures and mitigate potential risks » Monitoring of credit ratings and credit locks for defaulting customers are implemented 		SO2, SO3, SO4, SO6
<ul style="list-style-type: none"> » Security awareness is created through training regularly » Penetration testing and assessment exercises across Thermax are operational » Data classification is implemented to ensure that data is classified appropriately » Cyber Defence Centre is established to detect and respond to cyber attacks » Business critical systems have been implemented with high availability » IT systems, network and software modernisation is undertaken as per plan » Disaster recovery for critical applications is periodically tested 		SO1, SO2, SO3, SO4, SO5, SO6
<ul style="list-style-type: none"> » To mitigate the effects of climate change in the short, medium, and long-term, we are developing products based on renewable energy, acquiring new technologies, and complying with statutory standards » Business specific impacts are analysed, and actions are being taken to minimise risk and to capture new business opportunities » Roadmap on emission reduction is prepared and monitored on a regular basis » Prepared plan of action for adverse climatic conditions to avoid stoppage of work and ensure safety of workmen 		SO1, SO2, SO3, SO5, SO6
<ul style="list-style-type: none"> » Succession planning for critical positions involves the identification of key positions and talent. The process includes regular talent reviews, action planning for their development, along with identification of early and diverse talent, career path mapping, and retention risk assessment. » Leadership development programmes have been launched at executive, senior, and young leadership levels, and are being implemented across the organisation 		SO1, SO2, SO3, SO4, SO5, SO6

Stakeholder Value Creation

Driven by the belief that actions speak louder than words, Thermax embodies the philosophy of 'Conserving Resources, Preserving the Future'. We pursue sustainable growth that delivers long-term value for all stakeholders, including our investors. Our approach is marked by developing innovative solutions through collaborative partnerships to meet the evolving needs of our customers. We prioritise talent development within an entrepreneurial environment and foster deep, mutually beneficial relationships with our suppliers. Collaborating closely with the Government, we strive to achieve climate targets and contribute to sustainable development policies. Supported by a robust Board that ensures direction, ethics, and transparency, we acknowledge mistakes and learn from them. Our dedication to energy conservation, environmental protection, and societal enrichment underpins our contribution to global priorities. This commitment to Environmental, Social, and Governance (ESG) principles not only enhances our long-term financial stability but also positions us for sustained growth.



Owners and Shareholders

Read more on pages 36-37



Customers

Read more on pages 38-41



Employees

Read more on pages 42-47



Vendors and Business Partners

Read more on pages 48-49



Communities and Academic Groups

Read more on pages 50-53



Planet

Read more on pages 54-57



Government Authorities

Read more on pages 58-59



Owners and Shareholders



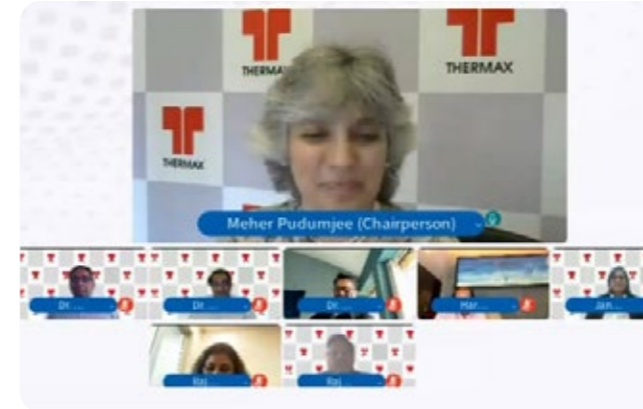
We enhance shareholder value through innovative and sustainable solutions, delivering operational excellence and driving long-term profitability. Through consistent transparency and accountability in our operations, we have built investor trust and confidence.

KPIs

15.5%
Return on Equity

Rs. 12
Dividend Declared Per Share

20.9%
Dividend Payout Ratio



Interaction with Shareholders

Our Company interacts with shareholders, investors, and analysts on forums such as analyst calls, including quarterly earnings calls, and Annual General Meetings. This gives us insights into their expectations and enables us to incorporate them into the sustainability framework. We convey important updates through our Annual Report, official website, investor relationship meetings, e-mails, press releases and stock exchange notifications.



Board Meetings

Board Meetings (physically or virtually) are conducted quarterly and the annual board retreat is usually organised in February. In addition to this, Committee meetings are held periodically as per the Board/Committee calendar prepared at the start of the year. To reduce paper consumption, our Company circulates the Board/Committee agenda and announces it to the directors over a secure application that can be accessed through web browsers or handheld electronic devices.



Investor Day at Thermax Fest

Our Investor Day was held as part of Thermax Fest on December 14, 2023, at one of our Pune facilities. The investors were taken on a guided tour of our exhibits, presenting our latest innovations in the field of energy transition. During this, our senior leadership interacted with investors and answered their queries related to business expansion, growth opportunities, and challenges.

70
Investors and Analysts in Attendance

Customers

Our customers are at the heart of everything we do. From ideation to execution, we collaborate closely with them to build a portfolio of products and solutions aligned with their evolving needs.

KPIs

120+
No. of Exhibitions and Seminars Participated In

6
No. of Thermax Roadshows Organised



Digital Connect

Thermax EDGE® and EDGE Live Operations Centre

Thermax EDGE® is a one-stop solution for customers to connect with us and get all their asset-related information. This is a customised platform which specialises in bringing the breadth of our services to the fingertips of customers. Thermax EDGE Live® is a digital solution that uses AI and machine learning to analyse data from all industrial equipment worldwide and help clients to optimise asset performance in terms of uptime and efficiency, and reliability.

Our subject matter experts operating from five customer success operation centres monitor asset health and partner with customers on knowledge management and insights driven decision making.

Highlights

- » Received orders from international customers to onboard 80+ industrial units located across 20+ countries
- » Received a multiyear order from one of the largest cement

- » producers in India for deploying EDGE Live solution focussing on analytics and insights using AI/ML for three captive power plants with a total capacity of 54 MW
- » More than 200 unique customers across industries with 4,000+ assets under management



Thermax's EDGE Live operations centre

Digital Platforms

Clean Air, Clean Energy and Clean Water Digital Platform

We have developed a digital platform to showcase our critical products and solutions at various events and exhibitions. The interactive platform allows customers and visitors to engage and navigate through the entire product range at their convenience. Each product offers a 360-degree view with cut and cross sections, while some also showcase the inner workings. The platform depicts many of the large project-based solutions through animated

videos. Offering an immersive experience, the platform eliminates the need for actual products, yet provides a comprehensive experience of our solutions to the visitors.

City of Solutions

The Water and Waste Solutions (WWS) division pioneered a groundbreaking digital initiative – City of Solutions – a platform/virtual landscape/3D arena that showcases the entire gamut of water and wastewater solutions, including

water treatment, sewage treatment and effluent treatment plants, along with a recycling and ZLD (zero liquid discharge) plant. Through this hyper-realistic city, customers can see their plant installed in a 3D arena called the digital twin. Users can explore solutions under the urban, industrial and Thermax zones, highlighting our major installations and offerings. With a focus on inlet and outlet parameters, the platform facilitates choosing the most suitable solution for customers in the water industry.

STAKEHOLDER VALUE CREATION

Events and Exhibitions

Thermax Fest and Roadshows

Thermax Fest, a four-day event held in December 2023, was organised to showcase our latest green energy solutions to our stakeholders. Each day was dedicated to a specific stakeholder, with December 13 focussing on customers. Around 200 customers attended the fest, gaining insights into the latest innovations across business verticals. Following the fest, Thermax conducted a roadshow named 'REDISCOVER'

across six cities in India, showcasing its solutions to customers and prospects through exhibitions and seminars. Additionally, the 'Dinner Dialogue' concept allowed our senior management to interact with CEOs of various companies and understand their sustainability challenges and energy transition strategies. The event received high praise from customers across regions, who appreciated our comprehensive product portfolio and commitment to energy transition.



IFAT India 2023

Thermax's WWS and Chemical divisions showcased their latest offerings at IFAT India 2023 in Mumbai, Maharashtra. They launched two innovations:

- » The City of Solutions digital platform
- » ThermFlux (a membrane with fouling resistance) and PureCode (a media for removing organic constituents)

They also held informative sessions on the latest trends and challenges in the water industry.



Boiler World Exhibition – Nairobi

This was the first time Thermax participated in an event in the African market where we showcased our clean air, clean energy, and clean water solutions at the Boiler World exhibition in Nairobi, Kenya, through a specially designed digital app. The standout were two 3D printed models – our comprehensive industry utility solutions and a reciprocating grate (RG) for biomass firing.



Aquatech Amsterdam 2023

At Aquatech Amsterdam 2023, Thermax showcased its four decades of expertise in liquid purification. The event provided a global platform to engage with industry leaders and connect with clients. Our Company highlighted the versatility of the Tulsion® resin range. Thermax presented innovative water treatment solutions, focussing on PFAS (per- and polyfluoroalkyl substances) removal, demineralisation, metal removal, recycling, and condensate polishing.

PALMEX Thailand 2023

At PALMEX Thailand 2023, Thermax showcased a wide range of clean air, clean energy, and clean water solutions tailored for the palm oil industry. Speakers from Thermax presented on 'Sustainable & Efficient Combustion and Air Pollution Control Technology for the Palm Oil Industry,' leveraging its decades of experience. Thermax provided valuable insights and innovative solutions to attendees, assisting them in enhancing production efficiency.

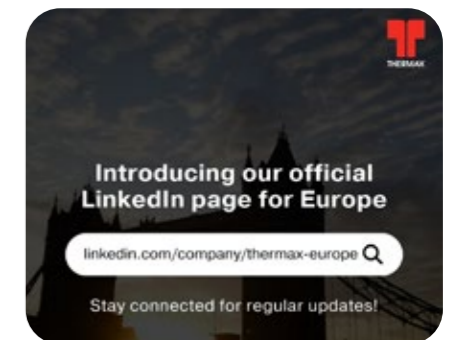
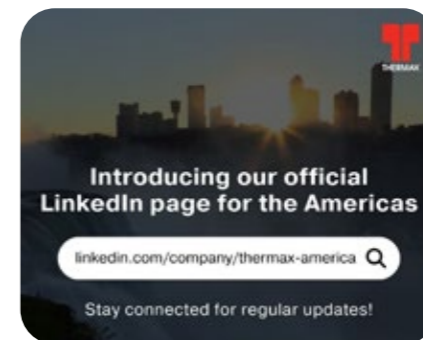
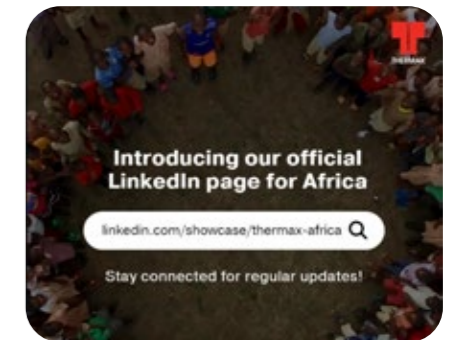
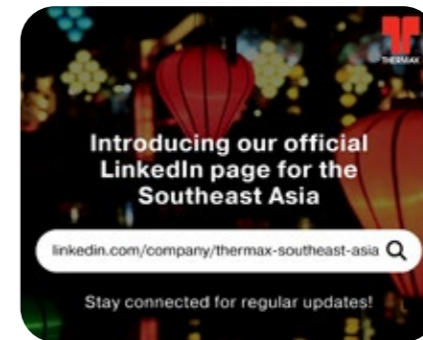


Digital Marketing

Expanding International Social Presence

With our aim to cater to global customers and stakeholders, we have kickstarted our journey to enhance our social media footprint around the globe through dedicated LinkedIn pages. After careful benchmarking and evaluation, we have streamlined our focus to five key regions: Africa, Southeast Asia, the Middle East, the Americas, and Europe.

- » Our successful implementation of paid and organic campaigns has significantly increased brand awareness and generated leads for specific products and solutions for India and international geographies such as Indonesia.
- » Through social channels we update customers on products, solutions, new offerings, events and happenings.



WhatsApp Helplines

We have a dedicated WhatsApp number for customers to connect with us, track their order status or request a callback.

Employees



Our employees are the bedrock of our organisation. We encourage a workplace culture that centres on inclusivity, collaboration, and continuous learning. Open communication and recognition programmes improve the morale of our employees. With this approach, we attract top talent and maintain retention and productivity.

KPIs

21,470

Total Headcount (Permanent Staff Employees and Workforce as well as Contractual Workforce)

72,421

Training Hours

0.24

Lost Time Injury Frequency Rate



A Culture of Innovation

Technology is the driving force behind our progress, enabling us to overcome barriers and unlock new possibilities. For decades, we have celebrated our technological prowess through Innovation Day. During this event, various businesses and functions showcase their groundbreaking ideas and technologies, and the ones who contribute significantly to technological advancements are recognised as trailblazers and innovators. Another example of our culture of innovation is where leaders are encouraged to incubate ideas that can be translated into growth units under our Senior Leadership Development Programme (SLDP).

Leadership Conference

Thermax held a leadership conference with the theme #TransformingForTomorrow to celebrate successes and align for change, urgency, and growth. The two-day event witnessed brainstorming sessions where business leaders shared strategies and their vision to escalate growth in their respective business verticals. Fun evenings and gala dinners were also planned for participants to unwind and enjoy the company of fellow leaders.



■ Senior leaders at the Leadership Conference held in 2023

Diversity, Equity and Inclusion

Thermax remains committed to fostering a diverse and inclusive organisational culture through its robust DEI strategy, structured around four important pillars:

Enhancing
Gender
Diversity

Developing and
Sponsoring Talent



Promoting Openness
and Inclusivity in the
Workplace

Enabling Mindset
Change

We undertook various initiatives aligned with these pillars during the year to drive meaningful change and foster an inclusive workplace environment.

STAKEHOLDER VALUE CREATION

Enhancing Gender Diversity

Segmented hiring at Thermax aims to enhance gender diversity, particularly in mid-managerial roles, fostering a robust pipeline for female leadership. It strategically earmarks positions across sectors for women, creating an environment where they can thrive. In this financial year we have moved the needle and today we have 9.4% of women workforce which was 6.5% for

years. Thermax remains committed to advancing gender parity, setting a concrete target of having 15% women in the workforce by the next year. Our Company is dedicated to fostering an inclusive workplace and is poised to continue its efforts.

80
Positions Filled by Women Since March 2023



Women employees at Thermax's Shirwal factory in Maharashtra

Developing and Sponsoring Talent

Following the success of our Executive Development Programme (EDP) and the Senior Leadership Development Programme (SLDP), specifically designed for our top and senior executives, we launched the Young Leaders Development Programme (YLDP) in December 2023, aimed at nurturing promising young leaders under the age of 35. The YLDP programme offers a comprehensive framework covering skill development, business exposure, networking, and cross-functional engagement. YLDP emphasises self-awareness, business acumen, innovation, and collaboration, aligning with Thermax's commitment to talent development and excellence. We also included an executive education programme for employees from a premier institute in India to enhance leadership capabilities.



Participants of the SLDP programme at the Asian Institute of Management, Manila, Philippines

SLDP – Fostering Growth for Senior Leadership

SLDP is a 12-month transformative journey for N-1 to N-3 leaders, focussing on preparing them for higher responsibilities and accelerating personal growth. The programme includes an executive education module, workshops on financial acumen, and executive coaching, culminating in strategic projects to spotlight leadership capabilities. With a profound impact evidenced by role changes and promotions, SLDP drives tangible growth and positive transformations.

MCP – Empowering Managers

The Managerial Capability Programme (MCP) at Thermax has become a cornerstone initiative. It includes structured workshops and digital journeys that reinforce learning, focussing on themes like self-management, people management, and performance management. With close to a 79% completion rate for the first phase and overwhelmingly positive feedback, the MCP has cultivated personal growth and organisational excellence. We have plans for launching the second phase, which signifies a continued commitment to developing managerial talent at Thermax.

Enabling Mindset Change – DEI Awareness Workshop

'DEI Dynamics, Crafting an Inclusive Workplace' is a workshop that engages all employees in championing DEI values and creating meaningful change. We extend this initiative to all staff to ensure inclusivity across all levels. The workshop addresses microaggressions, biases, and workplace dynamics.

5 Batches **150** Employees Trained in DEI



A still from the panel discussion held on International Women's Day

International Women's Day Celebration

Our Women's Day celebration, which was themed 'Inspire Inclusion', spanned two days. As part of the celebration, we hosted engaging events promoting gender diversity, breaking stereotypes, and celebrating abilities.

Activities included a face painting competition themed #BrushingBoundaries, where employees depicted powerful messages of inclusivity. The voting process for the competition was tied to planting a sapling for each vote received by the winning team. The 'Tree of Inclusion' activity symbolised unity through palm prints.

The second day featured speeches by our leaders and external speakers. A multi-generational panel discussed 'Unity in Plurality,' embracing diverse perspectives. The day closed with a theatre performance throwing light on workplace biases. Our

month-long #HerXfactor campaign further recognised achievements of women from within the organisation. The celebration signified a commitment to nurturing a culture of creativity, inclusivity, and empowerment at Thermax.

Alkemist – Women Beyond Boundaries

Thermax's 'Alkemist – Women Beyond Boundaries' programme, in partnership with Katalyst India, aims to empower female leaders and foster diversity. Over 18 months, 16 high-potential women undergo workshops, coaching, and a leadership boot camp for skill enhancement. Early outcomes are promising, with post-programme assessments potentially leading to leadership roles or inclusion in succession plans. This initiative demonstrates Thermax's commitment to inclusive leadership, bridging gender gaps, unlocking the full potential of its female workforce, and shaping a diversified, resilient leadership cadre for the future.

Promoting Openness and Inclusivity in the Workplace

Employee Engagement – The Pulse Survey

Our employees are custodians of our culture and understand that bottom-up communication is vital to creating a more inclusive work culture. We listen to the collective voice of employees through the Pulse surveys that facilitate gathering feedback anonymously, enable open expression, and help gauge employee satisfaction.

This initiative allows Thermax to identify areas for improvement and

drive interventions in collaboration with leadership. Each survey cycle is followed by action planning, reflecting our commitment to addressing employee sentiments. Over the past three cycles at Thermax, we have observed a positive trend in our drivers. We have seen significant action planning and positive impacts, particularly in areas such as recognition and work-life balance across the organisation. Through this transparent communication, we strive to create a workplace where employees feel fulfilled, engaged, and motivated to contribute their best.

Thermax Fest – Employee Day

The last day of the four days of Thermax Fest marked an open house for Thermax employees, beckoning them to step out of their cubicles and explore the innovations curated by different divisions within Thermax. The colleagues mingled and explored, fostering a collective spirit of discovery and learning about Thermax's role as a trusted partner in energy transition.

STAKEHOLDER VALUE CREATION



Events – Festivals and Important Days

Last year, at Thermax, we tried all the colours on the floor. In our true spirit of inclusiveness, we celebrated all festivals and important days. We danced to garba beats, dressed in red to welcome Christmas, held a fashion show and a reel-making competition on Diwali, hosted sports activities and some social events. Celebrating a festive event in the office is a magical amalgamation of joy, camaraderie, and shared happiness. It's an opportunity for colleagues to come together and enjoy the celebrations. Our festive events in the office weaved

together moments of laughter and togetherness, and gave us a sense of gratitude and community spirit.

Outbounds and Awards

Thermax is becoming a more employee-centric organisation. Keeping employee well-being in mind, our Company arranges outbounds for various departments to foster collaboration. The outbounds include team-building activities and sightseeing. During the outbound, an evening is dedicated to rewards and recognition. The outbounds bring colleagues closer and rejuvenate them so they can restart work with renewed energy and vigour.

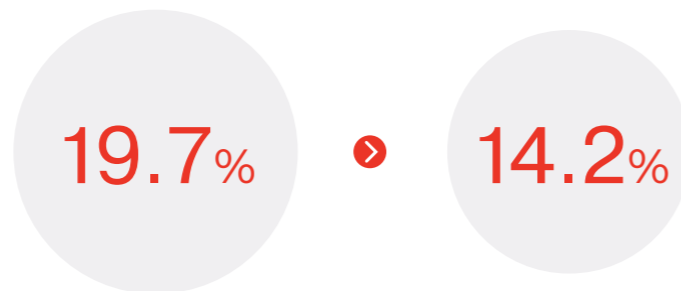
Highlighting the message of inclusiveness through face painting

Attrition

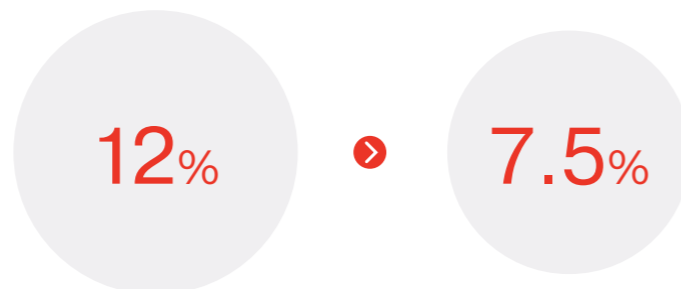
In FY 2022-23, we faced the challenge of high attrition. To address this issue in the current financial year, we implemented a series of measures aimed at enhancing employee engagement and satisfaction. We focussed on career development, learning opportunities, and salary corrections. We also implemented focussed group discussions with managers / skip level, launched the digitised Reward and Recognition programme and Managerial Capability Programme along with our Pulse scores (engagement survey) and wellness initiatives.

All the above initiatives helped us bring down our overall and regrettable attrition.

Change in Overall Attrition



Change in Regrettable Attrition



Health and Safety

[Read more on pages 105-107](#)

Thermax Cares

We undertake various initiatives to promote employee health and well-being throughout the year.

Industrial Marathon

120+ employees participated in the industrial marathon held in April 2023 at the Moshi Convention Centre, helping promote physical fitness and wellness.

Calorie Charts at Canteens

Calorie awareness can nudge people to make healthier food choices. We display charts across various Thermax office canteens that show calorie information about food. This provides valuable guidance to employees in making informed dietary choices and raises awareness regarding calorie intake.

Sports Tournaments

Promoting athleticism and team spirit, various Thermax divisions hosted several sports events including badminton and cricket tournaments for both men and women. In addition to the fun element, our leaders exhibited their sportsman spirit and motivated employees by encouraging active participation, teamwork, and healthy competition outside the traditional work setting.

Mental Health and Recreation Centre at Various Facilities

Recognising the significance of mental health in today's world, Thermax has introduced the 'Counselling Service at Your Workplace' initiative. A qualified

counsellor is available across office locations as per schedule to provide free and confidential consultations.

In addition to our existing recreational facilities, a state-of-the-art recreational area was inaugurated at Environment House, one of Thermax's offices in Pune. A collaborative effort between the Air Pollution Control, Water and Waste Solutions and Chemical divisions, this vibrant space within the office premises has been thoughtfully designed to provide employees with an opportunity to unwind, rejuvenate, and engage in physical activities during their work day.



The winning team of an interdepartmental cricket tournament

Vendors and Business Partners

Our channel partners play a pivotal role in helping us achieve our vision. By actively engaging with them, we build a culture of collaboration, mutual trust, and a shared understanding of our goals and objectives. This synergistic partnership enables us to make innovative advancements, contributing to our success.

KPIs

99.5%
Customer Complaints Resolved

554
No. of Green Channel Vendors



Vendor Partners

Training and Green Certificates by HSE

In its commitment to fostering a sustainable value chain, TOESL, a subsidiary of Thermax, launched a series of sustainability workshops to make its vendors aware of environmental, social, and governance (ESG) norms.

Two workshops were held at the Thermax Learning Academy in Chinchwad and one was held in Ahmedabad. The Thermax HSE team created a specifically curated sustainability checklist to guide vendors in integrating sustainable practices into their

operations. TOESL plans to expand these workshops across India to empower vendors nationwide to embrace sustainability.

39
Vendors Attended the Workshop

Thermax Channel Associates (TCA)

Digital Solutions Adoption

All channel partners successfully adopted the Dealer Management System

Effective Digital Campaign

Undertook paid digital campaigns for widening reach

Portfolio Expansion

New range of heating and steam products launched specifically for channel

Strategic Marketing Initiatives

The 'Steaming with Pride' campaign contributed to substantial growth figures in the Steam business

Continuous Partner Training

Regular technical as well as behavioural trainings imparted

Efficient Commission Process

Streamlining commission processes led to a reduced payment turnaround time of 30 days

Thermax Channel Associates (TCA) Meeting at Switzerland

This year, the Channel Business Group hosted its annual convention in Zurich, Switzerland, to recognise our top-performing channel partners. The theme of the event was 'WOW – Driving Excellence through World of Winners!' The convention was also attended by our senior management, division heads, and PU heads. Highlights of the convention included a business conference featuring discussions on a range of topics, including digital advancements, business updates, the importance of ongoing marketing efforts, and strategies for achieving the set business targets.

Training Initiatives

The Water and Waste Solutions division and CBG collaborated to organise a comprehensive three-day training programme for TCA water service engineers, covering safety protocols, product knowledge, troubleshooting, and more. The event concluded with an awards ceremony recognising outstanding channel partners. Also, a day-long training on new water products was held, emphasising digital marketing tools, technologies, and new products, aimed at familiarising channel partners with the latest offerings and market positioning strategies.

The Heating division and CBG organised a two-day training session on features, advantages, and benefits (FAB) aspects of technology for extended product ranges.

Communities and Academic Groups



Thermax Foundation (TF), established in 2007, is the philanthropic arm of Thermax. The Foundation's core mission is to bridge the educational divide, empowering underprivileged children to break the cycle of poverty and build a brighter future.

KPIs

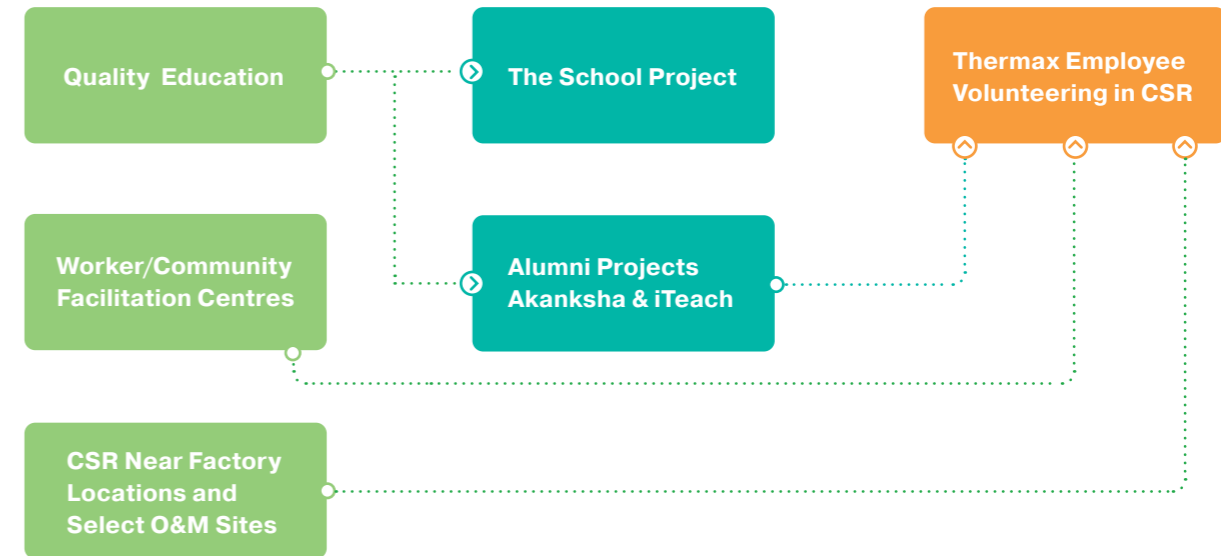
1,812
Students Impacted Under The School Project

810
Youth Trained for Employability Near Thermax Factory Locations

3,603
Alumni Supported for First Year Junior College Admissions, Counselling and Career Guidance



Focus Areas



Thermax Foundation Projects

The School Project

Thermax Foundation (TF) funds two Pune Municipal Corporation (PMC) schools run by the NGO Akanksha Foundation. Among them, Savitri Bai Phule English Medium School was fully funded and K. C. Thackeray Vidya Niketan English Medium School was partly funded during the fiscal. This project gives students from

underprivileged economic families access to quality education.

Key Updates – The School Project

- » Assessment of teaching-learning practices through the school development review
- » Implementation of robotics and hobby classes at the schools

» Learning circles conducted in each class to bridge the academic divide

- » Sessions by Teach for India (TFI) and Teach A Class Foundation (TAF) on the relevance of working in the development sector
- » Third party impact assessment of The School Project conducted through Deloitte

STAKEHOLDER VALUE CREATION

Alumni Project

TF supports the alums from the Akanksha Foundation and another NGO, iTeach, in continuing higher education after school. Since most of the students are first-generation learners, alumni projects provide career guidance, academic mentoring, and support for junior college enrolment. In FY 2024, TF supported 3,603 alumni through these NGOs.

Key Updates – Akanksha Alumni Project

- » Akanksha Foundation under its Alumni Project provided career counselling to 9th and 10th grade students
- » Supported 285 students during first year junior college admissions
- » Organised a six-week data analytics workshop series where 14 alums learnt techniques for visualisation and finding viable solutions
- » A few of these students received admissions in top universities in India and overseas



Key Updates – iTeach Alumni Project

- » iTeach organised career guidance sessions for all 10th grade students at iTeach schools
- » Invited industry experts from diverse sectors such as law, banking, fashion and interior design, HR, civil administration, software engineering, digital marketing, and medical sciences to share their first-hand knowledge and experience. One-on-one sessions were also organised, in case of a requirement
- » A few of these students received admissions in top universities and colleges

CSR at Factory Locations

Thermax Foundation (TF), in collaboration with trusted NGO partners, offers skill-building programmes for various roles, including electricians, welders, fitters, and data entry operators. To address attrition post-placement, career preference tests are conducted in regional languages to assess aptitude and potential. In FY 2024, approximately 810 youth from communities near Shirwal, Savli, Jhagadia, Paudh, Mundra, Sri City, and Dahej factory and plant locations were trained and over 75% of them were placed in companies around the vicinity.

In Solapur, TF supports NGO Manavlok in a collaborative farming project aimed at capacity building for farming in water-deficient lands. The initiative includes guidance on scientific collaborative farming, with the recent launch of Horti Max, a farmer producing organisation, focussing on onion and soya bean production and sales.

Social Compact (SoCo)

Thermax embarked on the Social Compact (SoCo) initiative in 2020 during the migrant crisis of Covid.

[Read more on page 14](#)

Worker/Community Facilitation Centres

As the next step in Thermax's commitment to Social Compact, TF supports underprivileged, unorganised sector, and migrant workers in gaining access to

entitled benefits under various government schemes. The WFC will eventually become a go-to place for any worker in the vicinity to seek information about labour practices.

[Read more on page 14](#)

9,513
Government Schemes
Facilitated in FY 2023-24 through
WFCs and CFC



A skill development training session at one of our factory sites

Key Employee Volunteering Initiatives

TF encourages employees to be a part of social volunteering initiatives. Some of them participated in various activities during the year. One of the activities included imparting soft skills training to the community youth as part of skill-building batches held across factory locations.

To bridge the academic divide, 15 employees volunteered at iTeach's three-month academic and hobby project, dedicating two hours per week.

35 Thermax factory workers volunteered to identify migrant communities and unorganised

worker establishments around the Bhosari area in Pune. They facilitated e-shram labour cards for almost 200 beneficiaries by volunteering with the NGO Aajeevika Bureau. This was done every fortnight on Sunday through more than 25 awareness camps.

Other drives included tree plantation, clothes donation, Environment Day cleanliness activities, to name a few.

930
Employees Participated in
the Blood Donation Drive



Planet



We acknowledge our responsibility of preserving our planet for present and future generations. Through mindful actions, we have been continuously working on developing innovative solutions and improving our processes for a sustainable energy future, contributing to our success.

KPIs

13,754 tCO₂e
Carbon Emission Reduction

2,61,246 m³
Water Reused and Recycled (Domestic)



Observing World Environment Day at one of our customer sites

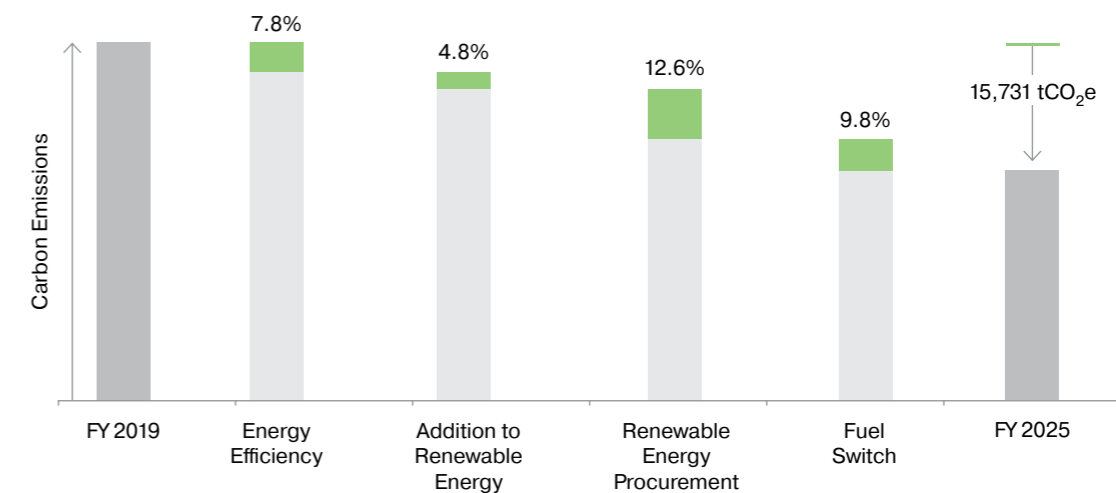
Thermax's Decarbonisation Journey

Thermax's unwavering commitment to reducing carbon emissions by 25% by 2025, from the base year of 2019, has driven focussed action across key areas of operational efficiency, renewable energy adoption, and fuel transition initiatives. Over the past year, concrete progress has been achieved through targetted 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 in Maharashtra, and the strategic switch from natural gas to biomass fuel in the boiler at the Dahej plant. These specific initiatives have translated into a substantial 30.6% reduction in absolute emissions, exceeding our 2025 target well ahead of schedule. Since we have achieved our CO₂ emission target, we are revising our targets from 25% to 35% for FY'25.

30.6%
Absolute Reduction in Emissions from the Base Year of 2019

This remarkable achievement underscores Thermax's proactive approach to sustainability and showcases the tangible impact of deliberate environmental strategies. Looking ahead, Thermax remains steadfast in its commitment to sustaining and expanding these efforts, driving further advancements towards a more sustainable and resilient future.

Roadmap till 2025



STAKEHOLDER VALUE CREATION

Major Highlights of Our Factories

Thermax's New WWS Manufacturing Plant

Thermax inaugurated a state-of-the-art manufacturing plant for water and wastewater treatment in Pune, Maharashtra. The factory exemplifies its dedication to sustainability, operating on solar energy and boasting a robust rainwater harvesting system. Following Indian

Green Building Council (IGBC) guidelines, the facility embodies Thermax's commitment to green solutions. Some remarkable features include an effluent recycle system, a modular skid-mounted water treatment setup, the application of nanotechnology for surface preparation, and a shift from shot blasting to more environmentally

friendly alternatives. Furthermore, the plant prioritises freshwater usage through various recycling and reuse initiatives.

95-98%
Recycled Water



The senior management at the inaugural ceremony of the water and wastewater treatment solutions manufacturing facility in Pune, Maharashtra



Solapur Plant Achieves Water Positive Certification

Our Solapur plant has achieved Water Positive certification, attaining a remarkable water positive index of 6.59. Through a multifaceted approach encompassing recycled water from advanced STPs, rainwater harvesting initiatives both within and outside the plant premises, and proactive CSR activities, the Solapur plant has not only reduced its water footprint but has surpassed expectations, making a positive contribution to the local ecosystem.

An endorsement from a third party inspires other industrial establishments to follow suit. The plant remains dedicated to implementing innovative solutions, keeping in mind the environmental responsibility, paving the way for a brighter, more water-secure future for generations to come.

Eliminating Single-Use Plastics across Thermax's Manufacturing Operations

We have successfully eliminated single-use plastics (SUP) throughout our manufacturing operations. We have transformed every aspect of our plants into SUP-free zones, from offices to shop floors, canteens, and pantries. This dedicated effort has earned us the prestigious SUP-free certification from CII, recognising the commitment of seven Thermax manufacturing locations (Savli, Dahej, Sri City, Jhagadia, Shirwal, Paudh, and Chinchwad) to sustainable practices. Furthermore, our commitment extended to our organisational events and celebrations, where we demonstrated our dedication by celebrating occasions like Diwali, Environment

Day, Safety Day, and Independence Day without relying on SUPs. This shift reflects our commitment to embedding sustainability into our corporate culture and operations.

1,307 kg
Single-use Plastic Usage Elimination



Aerial view of the new water and wastewater solutions manufacturing unit

Government Authorities

The Government of India plays a pivotal role in shaping the nation's energy landscape and is keenly driving the transformation towards a sustainable future. Thermax actively engages with various government ministries and agencies to contribute to the collective vision of energy transition.

KPIs

Rs. 415 crore
Taxes Paid

Rs. 26.2 crore
Investment by Government in Our R&D Projects



Ministry of Coal (MoC)

In FY 2022-23, we established the pilot plant for our coal-to-methanol project under the NITI Aayog initiative, supported by the Department of Science & Technology and in partnership with IIT Delhi. The plant has repeatedly demonstrated targeted methanol production using high ash Indian

coal. We have rigorously tested many varieties of Indian coal as a feed and have successfully converted it to syngas and methanol.

On the research front, we have collaborated with IIT Delhi and NCL Pune for coal gasification and specific application development for resins. During the Coal Ministry's visit to our 6 TPD coal-to-methanol

plant in Pune, we demonstrated our capabilities in the conversion of high-ash Indian coal to methanol – a first-of-its-kind initiative to convert 50% of ash coal into value-added chemicals. The plant is designed in a way that it is carbon capture ready. Further, we are working with customers in relevant industries to create multiple new solutions in waste-to-energy.

Ministry of Steel

The ministry is facilitating setting up of coal gasification projects suitable for syngas based ironmaking as a key step in green steel manufacturing.

Several other initiatives such as using renewable hydrogen in DRI processes are also planned with the aim of decarbonising steel manufacturing. Thermax is engaging with the ministry in the consultative

process, exploring benchmarking of capital costs, proposing a cluster-based off-take model for syngas, and participating as a potential supplier for gasification solutions.

Ministry of New and Renewable Energy (MNRE)

The MNRE has defined green hydrogen standards with a threshold for greenhouse gas emissions (non-biogenic) at 2 kg CO₂ equivalent per kg H₂. It is currently in advanced stages of specifying a certification scheme called the Green Hydrogen

Certification Scheme of India (GHCI). The GHCI will establish Guarantees of Origin (GO) ensuring transparency and authenticity in the green hydrogen production process.

As a committed and potential producer of green hydrogen, Thermax engaged in the stakeholder consultative process. Some of the key proposals included allowing green tariffs and RE procured

through trading platforms (G-TAM, G-DAM) as proof of GOs, reduction in lifecycle carbon footprint in case of biomass to GH₂ conversion and highlighting merits of new low carbon technologies like Solid Oxide Electrolysis Cell (SOEC).

We are also engaging in highlighting key issues in solar energy, wind energy and the bio-fuels programme of the ministry.

Central Transmission Utility of India Limited (CTUIL) and Central Electricity Authority (CEA)

CTUIL is the designated central nodal agency for power evacuation

approvals in case of inter-state flow of power. First Energy Private Limited (FEPL) engaged extensively with CTUIL and secured 300 MW of evacuation in inter-state transmission system (ISTS), for supply to industrial customers in renewable energy (RE) lagging states with high demand

of green power. Going ahead, we anticipate stronger engagement as CTUIL and CEA work towards achieving India's goal of 500 GW of RE by 2030, including facilitating ISTS based RE power supply for green hydrogen projects.

Bureau of Energy Efficiency

Ministry of Power notified the Carbon Credit Trading Scheme (CCTS) on June 28, 2023, as a step towards achievement of India's enhanced Nationally Determined Contributions

(NDCs). As a key nodal agency, the Bureau of Energy Efficiency (BEE) has notified the draft carbon market compliance framework. Under CCTS, obligated entities will be mandated to reduce energy intensities and will participate in carbon compliance markets,

whereas non-obligated entities can participate in voluntary markets. Thermax is actively participating in the stakeholder consultative process to contribute in the final policy and regulatory framework.

CORPORATE INFORMATION

Board of Directors

Meher Pudumjee

Chairperson

Pheroze Pudumjee

Non-Executive Director

Ashish Bhandari

Managing Director & CEO

Independent Directors

Harsh Mariwala

Dr. Jairam Varadaraj

Nawshir Mirza

Rajani Kesari

Dr. Ravi Gopinath

Dr. S. B. (Ravi) Pandit

Shyamak R. Tata
(appointed with effect from
October 17, 2023)

Executive Council

Ashish Bhandari

Amit Sethi

B. C. Mahesh

B. C. Rajesh

Dinesh Mandhana

Hemant Mohgaonkar

Jasmeet Bhatia

Kirtiraj Jilkar

Pravin Karve

Rajendran Arunachalam

Key

Managerial Personnel

Ashish Bhandari

Managing Director & CEO

Rajendran Arunachalam
EVP and Group CFO

Janhavi Khele

Company Secretary &
Compliance Officer

Registered Office

D-13, M.I.D.C. Industrial
Area, R.D. Aga Road,
Chinchwad,
Pune - 411 019

Ph: 020-
66122100/66155000
Fax: 020-66122142
Corporate Identity No.
L29299PN1980P
LC022787

Corporate Office

Thermax House

14, Mumbai-Pune Road,
Wakdevadi, Pune - 411 003

Ph: 020-
66051200/66051202
Website: www.

thermaxglobal.com

Registrar and Share Transfer Agent

KFIN Technologies Ltd.
Selenium Building, Tower-B,
Plot No 31 & 32, Financial
District, Nanakramguda,
Serilingampally,
Hyderabad, Rangareddy,
Telangana, India - 500 032.

Whatsapp Number:
(91) 910 009 4099
KPRISM (Mobile Application):
<https://kprism.kfintech.com/>
Tel: 040-67162222 / 79611000
Toll free: 1800 309 4001
E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Bankers

1. Union Bank of India
2. Bank of Baroda
3. Citibank N.A.
4. ICICI Bank Ltd.
5. Kotak Mahindra Bank Ltd.
6. Hongkong and Shanghai Banking Corporation Ltd.
7. Axis Bank Ltd.

Auditors

SRBC & CO. LLP
Chartered Accountants

Ground Floor, Panchshil
Tech Park, Yerawada, Pune -
411 006.

ICAI Firm Reg. No. 324982E/
E300003

Subsidiaries

Domestic

- » EnerNxt Private Limited
- » First Energy Private Limited
- » First Energy 2 Private Limited
- » First Energy 3 Private Limited
- » First Energy 4 Private Limited
- » First Energy 5 Private Limited
- » First Energy 6 Private Limited
- » First Energy 7 Private Limited
- » First Energy TN 1 Private Limited
- » Jalansar Wind Energy Private Limited
- » Kanakal Wind Energy Private Limited
- » Thermax Babcock & Wilcox Energy Solutions Limited
- » Thermax Bioenergy Solutions Private Limited
- » Thermax Cooling Solutions Limited
- » Thermax Engineering Construction Company Limited
- » Thermax Instrumentation Limited
- » Thermax Onsite Energy Solutions Limited
- » First Energy 8 Private Limited (Incorporated on 10-08-2023)
- » First Energy Nine Private Limited (Incorporated on 01-02-2024)
- » First Energy 10 Private Limited (Incorporated on 23-03-2024)

Overseas

- » Boilerworks A/S, (Denmark)
- » Danstoker A/S, (Denmark)
- » Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia
- » Ejendomsanpartsselskabet Industrivej Nord 13, Denmark
- » PT Thermax International, Indonesia
- » Rifox – Hans Richter GmbH Spezialarmaturen, Germany
- » Thermax (Thailand) Limited
- » Thermax Denmark ApS
- » Thermax do Brasil Energia e Equipamentos Ltda., Brazil
- » Thermax Energy & Environment Lanka (Private) Limited, Sri Lanka
- » Thermax Energy and Environment Philippines Corporation
- » Thermax Engineering Construction FZE, Nigeria
- » Thermax Engineering Singapore Pte. Ltd.
- » Thermax Europe Limited, U.K.
- » Thermax Inc., U.S.A
- » Thermax International Limited, Mauritius
- » Thermax International Tanzania Limited
- » Thermax Netherlands B.V.
- » Thermax Nigeria Limited
- » Thermax SDN. BHD., Malaysia

Management Discussion and Analysis

1. Economic Overview



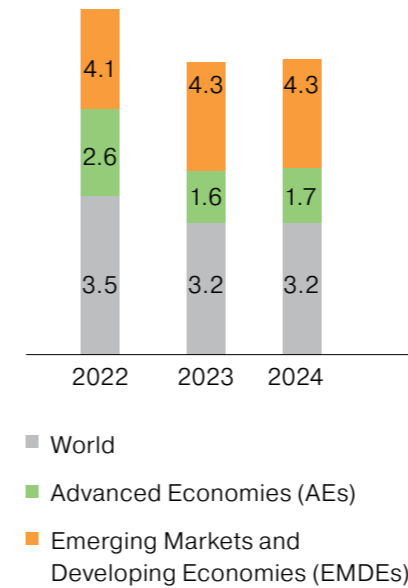
1.1 Global Economy

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

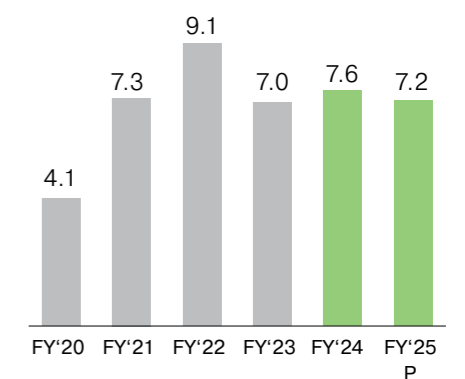
1.2 Indian Economy

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

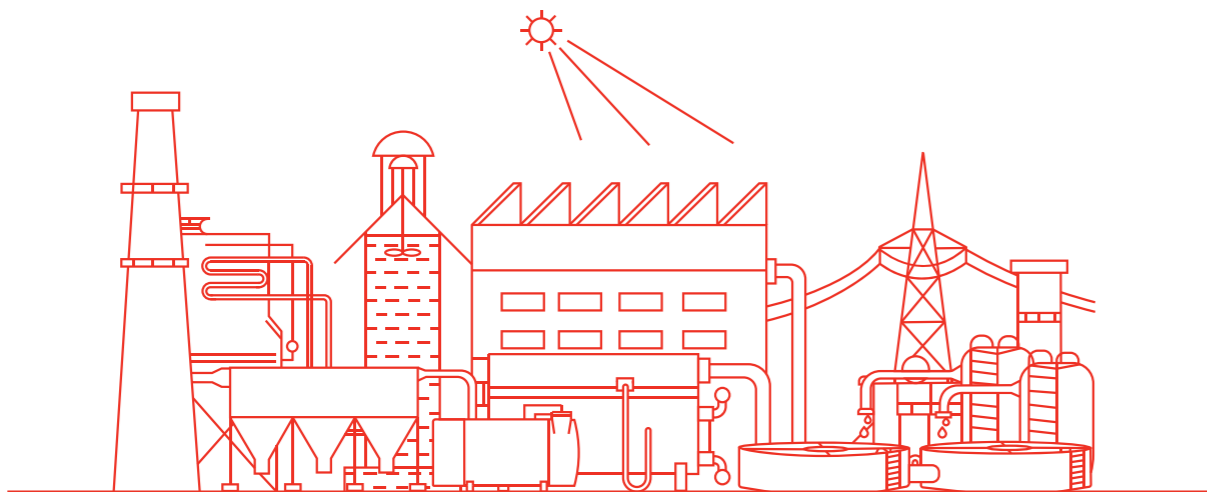
India has successfully managed economic growth while meeting the greenhouse gas emission targets

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

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.

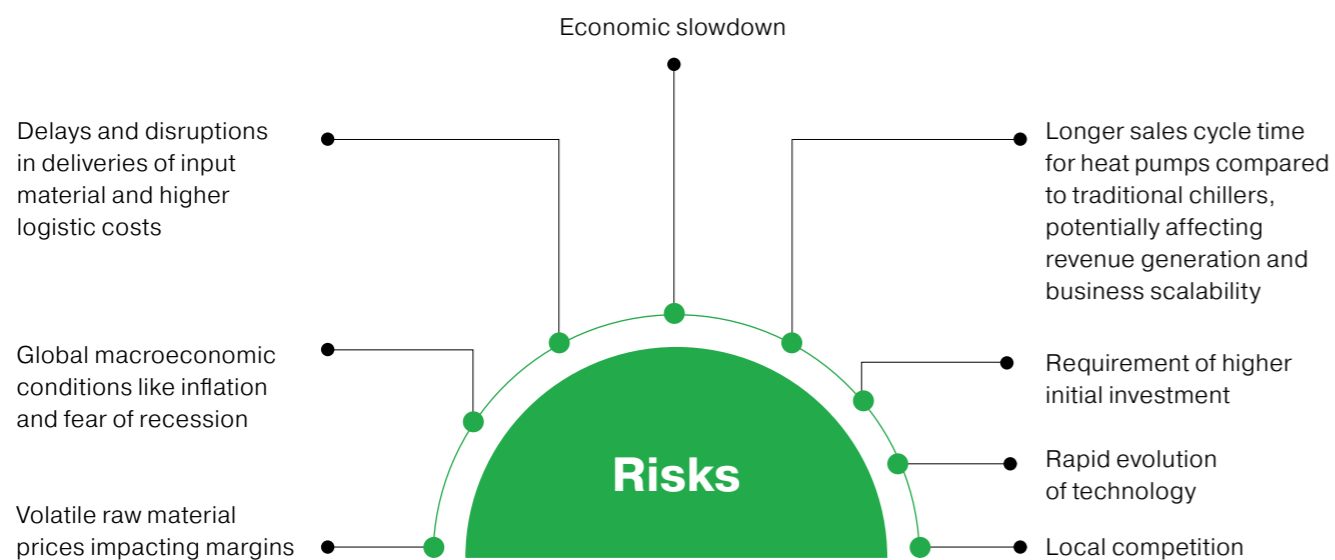
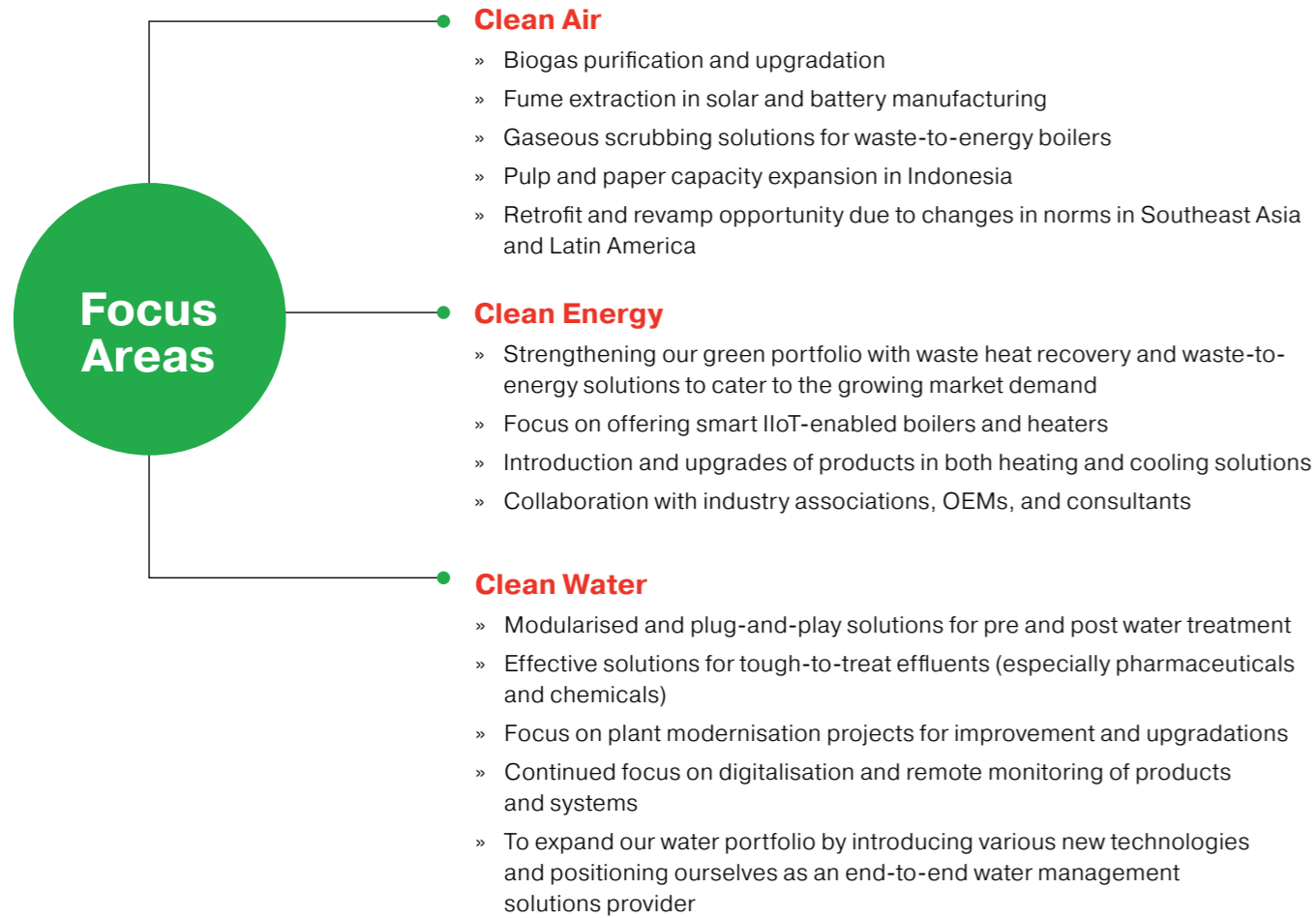
Clean Water

- » 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.

Key Solutions Provided <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 	Sustainable Growth Plan <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
Key Industries <ul style="list-style-type: none"> » District Heating » Commercial Establishments 	Highlights <ul style="list-style-type: none"> » Supplied a 6 MW steam-driven heat pump to Fyn district heating plant in Denmark 	
Geographical Footprint <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).

Key Solutions Provided <ul style="list-style-type: none"> » Sale and service of cooling and heating equipment based on absorption technology 	Geographical Footprint <ul style="list-style-type: none"> » Americas (North, South, Central and the Caribbeans) 	Highlights <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
Key Industries <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 	Sustainable Growth Plan <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

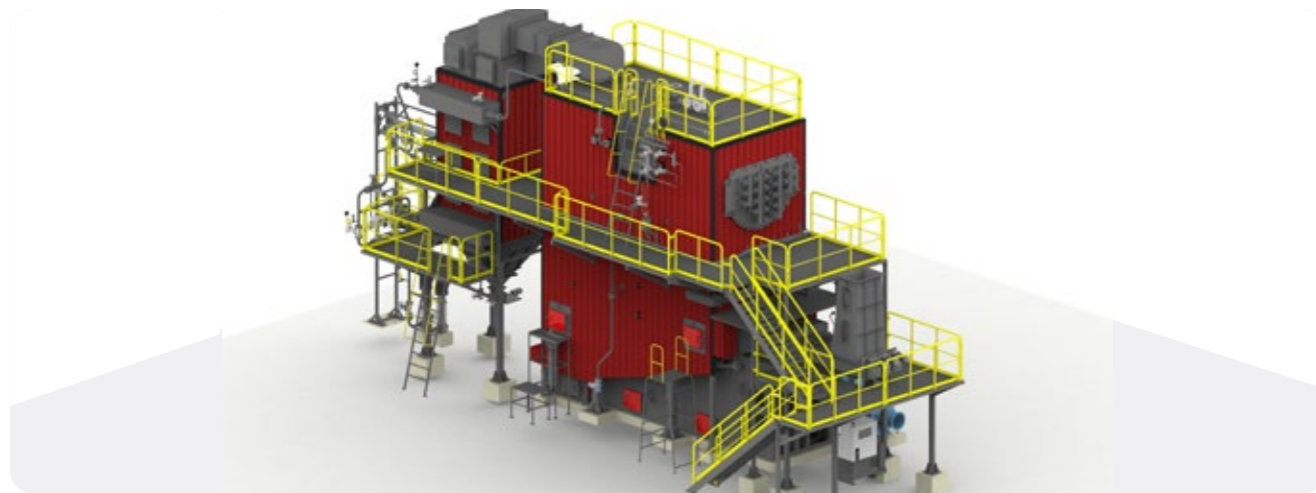
95%
Water Recycled for Reuse



MANAGEMENT DISCUSSION AND ANALYSIS

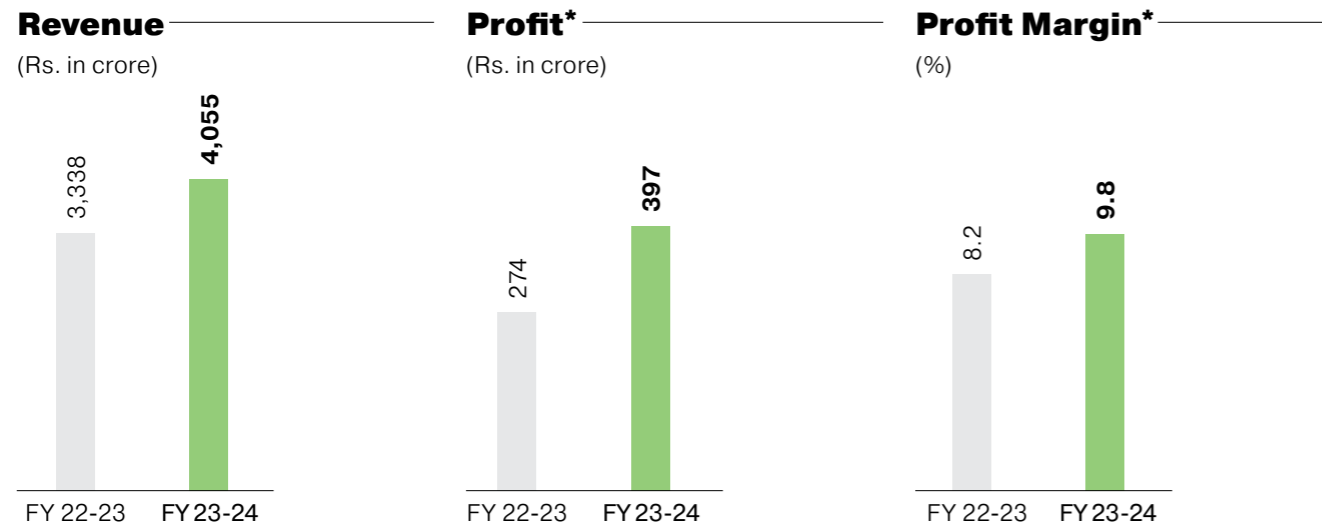
Performance of Industrial Products Segment in FY 2023-24

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



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

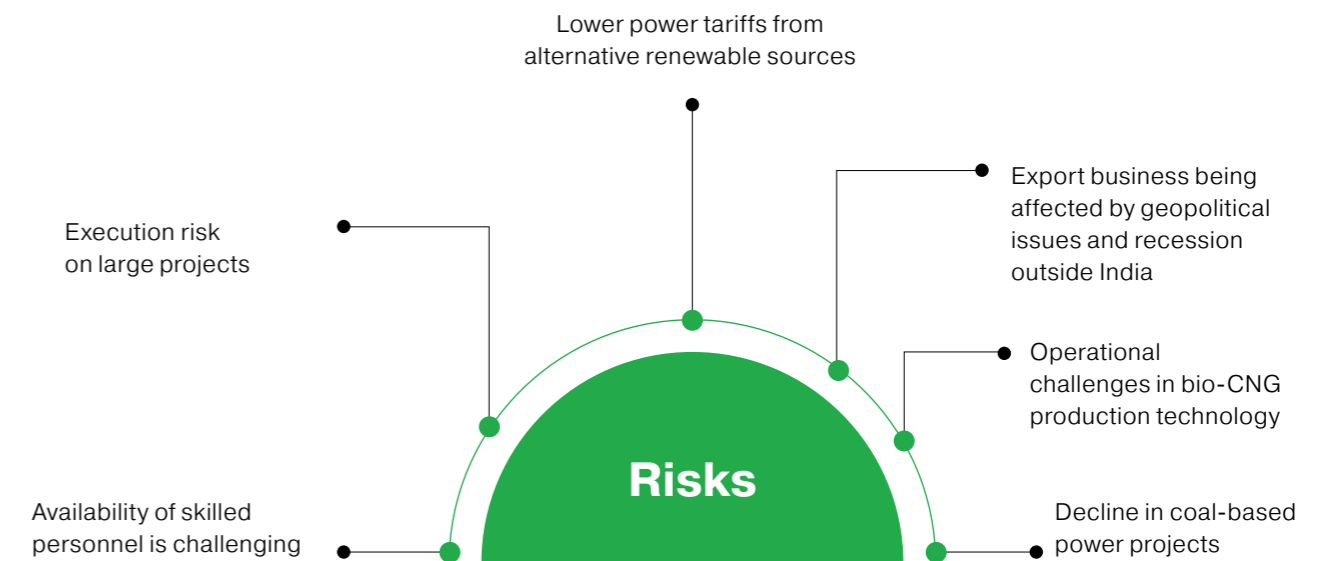
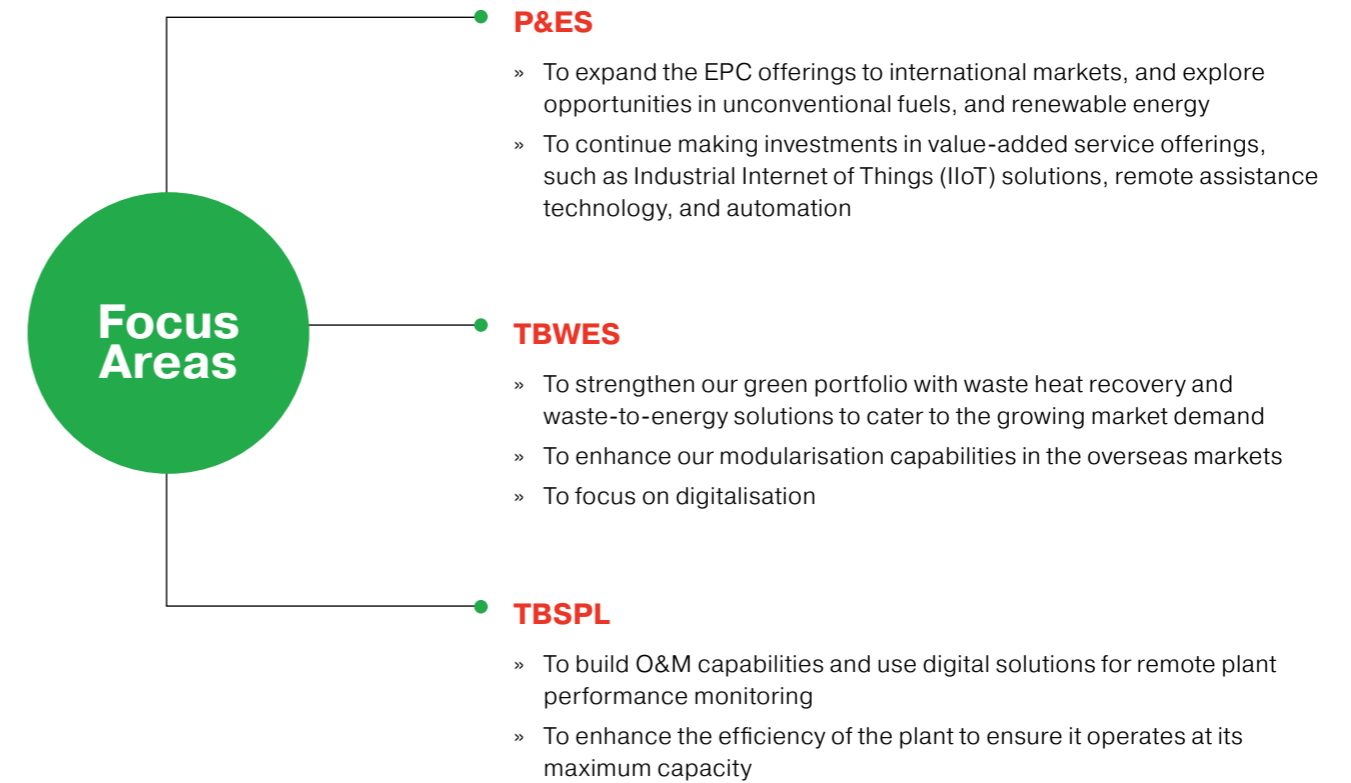
Driven by the Indian government's efforts to decrease natural gas imports and achieve stability against oil and gas price fluctuations, TBSPL has experienced significant traction. Since its inception, it has secured 15+ orders across five states, and initiated 4+ commercial gas generation projects

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



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.



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

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

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

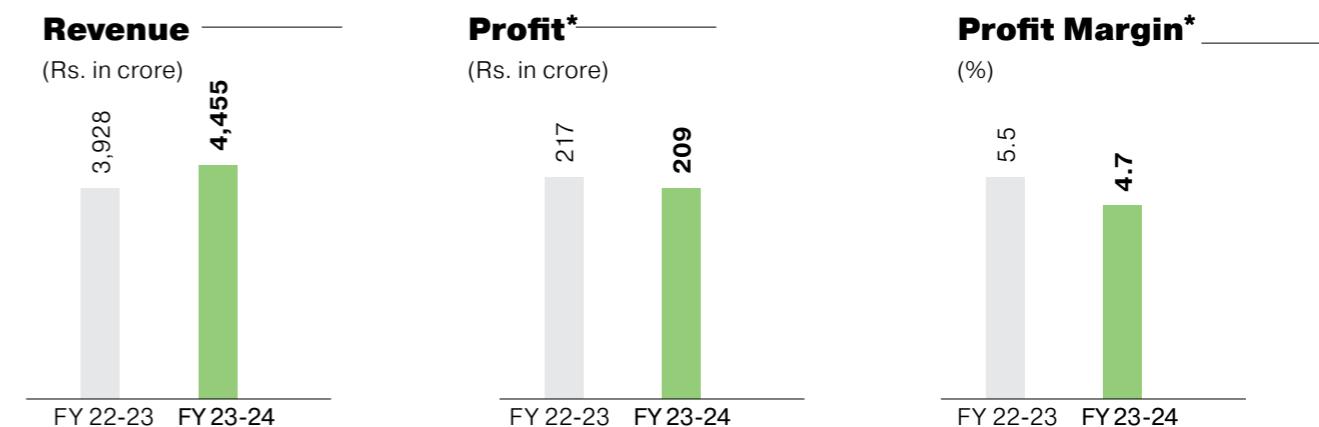
Performance of Industrial Infra Segment in FY 2024

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

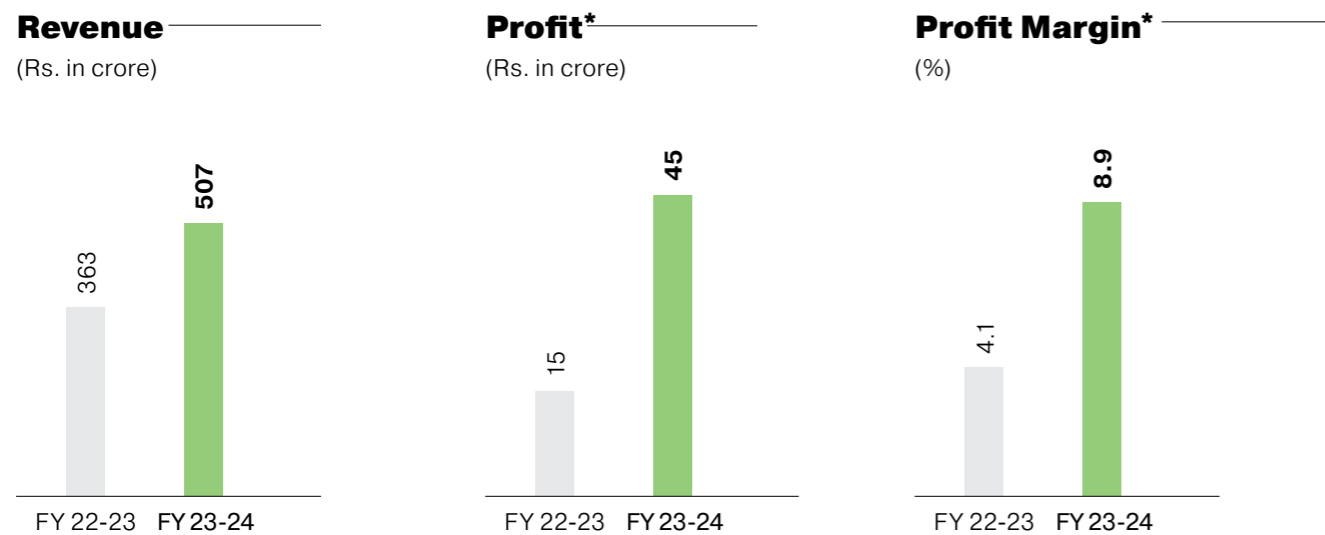
Performance of Green Solutions Segment in FY 2024

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



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

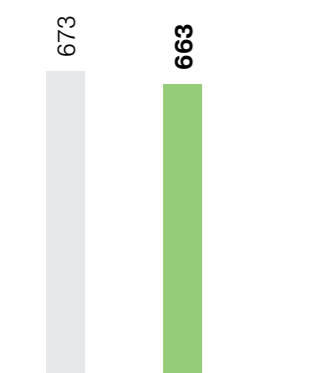
The Chemical segment accounted for 6.9% (8.1% in FY 2023) of the Group's gross operating revenue. The business posted an operating revenue of Rs. 663 crore (Rs. 673 crore), while the segment's profit was Rs. 124 crore (Rs. 86 crore) for the same period. The increase in profit and profitability was mainly 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

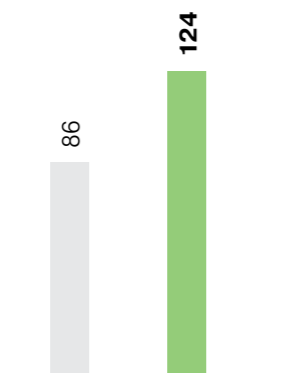
Revenue

(Rs. in crore)



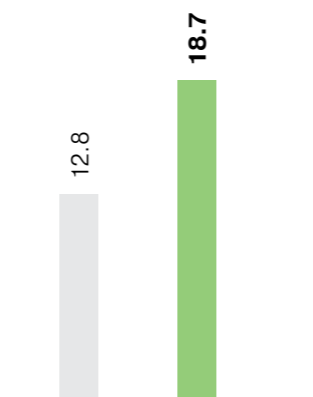
Profit*

(Rs. in crore)



Profit Margin*

(%)



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

5. Performance on Strategy



SO1

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



SO2 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

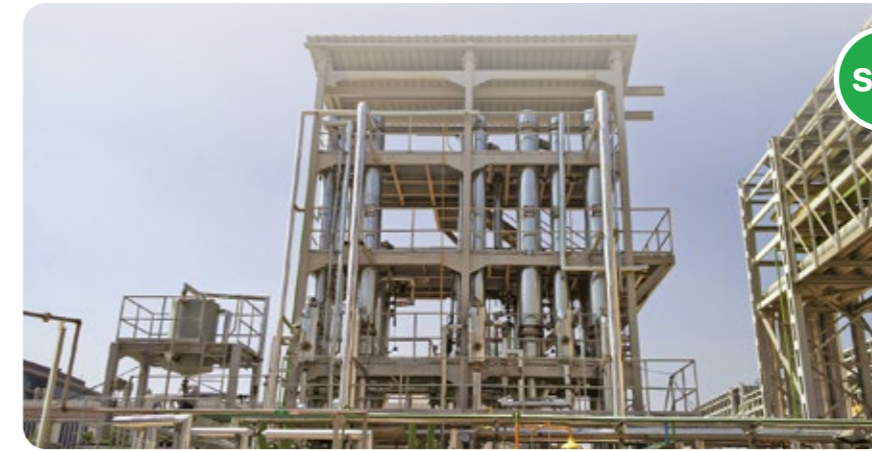
[Read more on page 82](#)

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).



SO4 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



SO5 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



SO6

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](#)

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

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.

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 before 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
Pheroze 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.

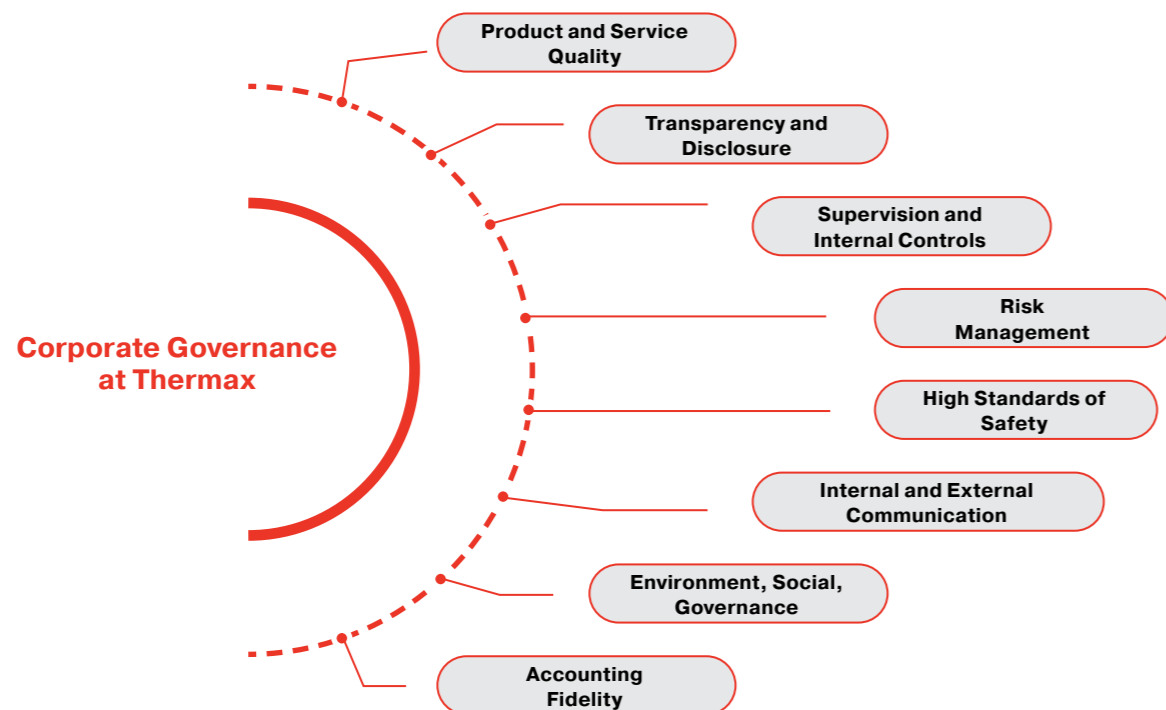
Empowered by the Board, your Company's key management officials implement policies and guidelines related to corporate governance. Our

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
Pheroze 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.	Pheroze 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 Pheroze 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:

Director	Key Board Qualifications / Skills / Expertise								
	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	✓	✓	-	✓	✓	-	-	-	-
Pheroza 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. Pheroza 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:

Name of the Member	Nomination & Remuneration Committee Meetings			Held during the year	Attended	% of Attendance
	Committee Meeting Dates					
	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:

- Harsh Mariwala - Chairman
- Dr. Jairam Varadaraj
- Dr. S.B. (Ravi) Pandit
- 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:

- Meher Pudumjee - Chairperson
- Nawshir Mirza
- 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:

- Nawshir Mirza - Chairman
- Pheroza Pudumjee

Attendance details of the Committee are as follows:

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			
Pheroza 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

- Dr. Jairam Varadaraj
- Rajani Kesari
- 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.

- 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:

- Dr. Ravi Gopinath - Chairman
- Pheroza Pudumjee
- Meher Pudumjee
- Dr. Jairam Varadaraj
- Ashish Bhandari
- 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%
Pheroz 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%

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)

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:

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

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	<ol style="list-style-type: none"> Appointment of Dr. Ravi Shankar Gopinath (DIN: 00803847) as an Independent Director Re-appointment of Dr. Shashishekhar Balkrishna Pandit (DIN: 00075861) as an Independent Director To make amendments to the trust deeds of all the employee welfare trusts
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

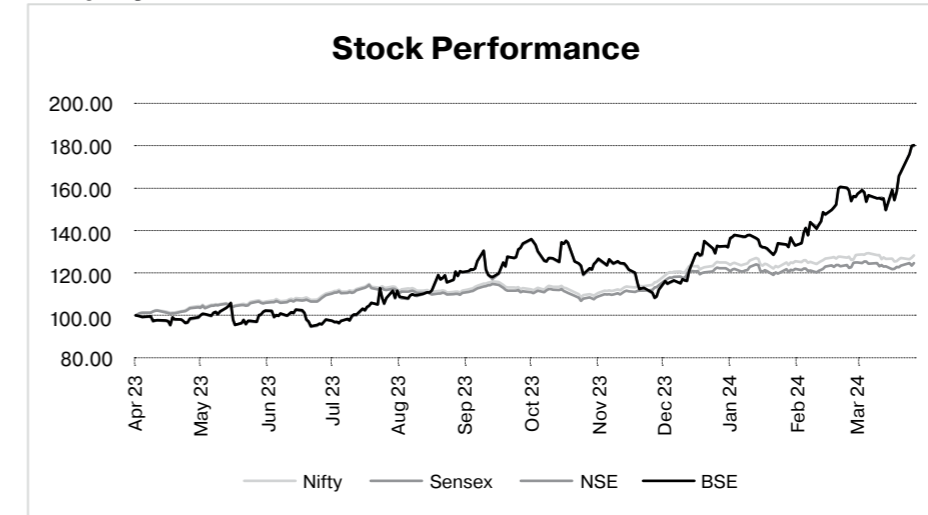
The Company has paid listing fees to BSE and NSE and custodial fees to Central Depositories Services (India) Limited and National Securities Depository Limited for financial year 2024-25 on the basis of number of beneficial accounts maintained by them, as on March 31, 2024.

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.

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

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.

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

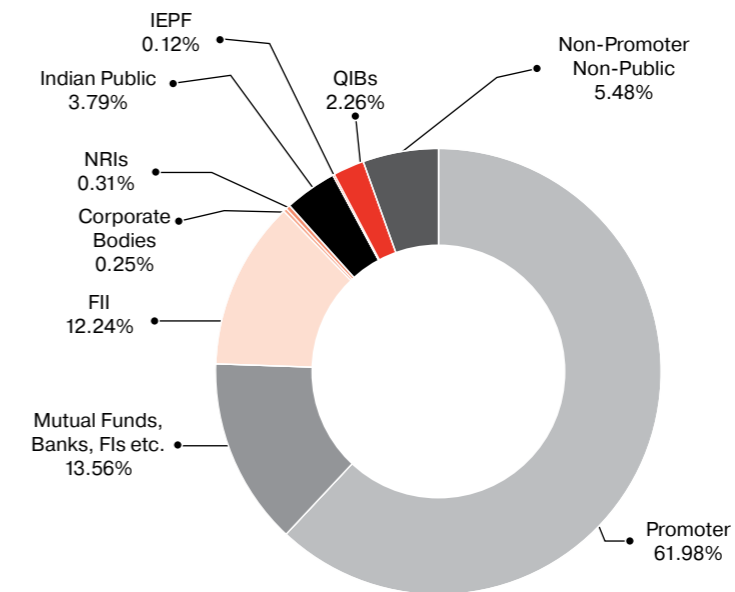
Sl. no.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% To Equity
1	1 - 500	40,311	96.62	21,89,208	1.84
2	501 - 1000	647	1.55	5,03,626	0.42
3	1001 - 2000	266	0.64	3,91,693	0.33
4	2001 - 3000	101	0.24	2,52,954	0.21
5	3001 - 4000	48	0.12	1,75,163	0.15
6	4001 - 5000	27	0.06	1,27,612	0.11
7	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 Shirwal Plot No. A-2 & A-3, Khandala Industrial area, Phase 1, MIDC, Village Kesurdi, Tal-Khandala, Dist. Satara - 412802, Maharashtra
Paudh At Paudh, Post Mazgaon, Taluka Khalapur, Dist. Raigad - 410 206, Maharashtra	Savli Plot No. 21/1-2-3, GIDC Manjusar, Taluka-Savli, Dist. Vadodara - 391 775, Gujarat
Mundra SEZ Survey No. 169, Village Dhruv, Taluka Mundra, Mundra - 370421, Dist. Kutch, Gujarat	Jhagadia Plot No. 903/1, GIDC, Jhagadia Industrial Estate, Jhagadia - 393 110, Dist. Bharuch, Gujarat
Dahej Plot No. Z/96/C, Dahej SEZ, Phase-II, Taluka Vagra Dist. Bharuch - 392 130, 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_Subsiidiaries.pdf

J) The Company has adopted the Policy of Determination of Materiality for Disclosures. SEBI, vide its 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:

- Date of incorporation: June 26, 2010

- Place of incorporation: Mumbai
- Name of Statutory Auditors: SRBC & Co. LLP
- Date of Appointment of Statutory Auditors: August 8, 2019 (1st term)
- 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.

Annexure A

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

Annexure C

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, Wakdewadi, 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		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		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)	No. (B)	% (B/A)	% (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	Enernxt 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.						

Disclosure Questions P1 P2 P3 P4 P5 P6 P7 P8 P9

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	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.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances																		

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 (Listing Obligations and Disclosure Obligations) Regulations, 2015 at https://www.thermaxglobal.com/stock-exchange-notifications/			
Settlement				
Compounding fee				
Non-Monetary				
Imprisonment	Nil			
Punishment				

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 [#] (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%	(1) Fuel cell development - Environmental: This reduces the CO ₂ 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 CO ₂ emissions. (3) CL2001-TAC demonstration at bus world Brussel Expo Oct'21 (HVAC) - Environmental- This helps in saving diesel consumption and, in turn, reduces CO ₂ 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%	(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: 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	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.
Other than Permanent workers	
Permanent employees	
Other than permanent employees	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. 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.

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

- 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.
- 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.
- 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

- 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 Kilotres)		
(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)	0.0000028	0.0000021
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:

- (i) Name of the area – Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Kolkata, Lucknow and Delhi
- (ii) Nature of operations – Regional Offices
- (iii) 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	CII'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 which 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: 24105869BKFUO3134

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"> Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events Number of days of accounts payable
9.	Principle 1 – E9	Open-ness of business	<ol style="list-style-type: none"> Concentration of purchases & sales done with trading houses, dealers, and related parties <ol style="list-style-type: none"> Purchases from trading houses as % of total purchases Number of trading houses where purchases are made from. Purchases from top 10 trading houses as % of total purchases from trading houses Sales to dealers / distributors as % of total sales Number of dealers / distributors to whom sales are made. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors. Loans and advances & investments with related parties <ol style="list-style-type: none"> Purchases Sales Loans & advances 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.

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.

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.

• 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.

ANNEXURE A

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Thermax Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit

of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matters

We draw attention to:

- (a) Note 30A(a) of the consolidated financial statements relating to the demand orders of Rs. 1,385.47 Crore from the Commissioner of Central Excise, Pune for which department had filed an appeal before the Supreme Court and the same is pending for admission. Pending outcome of the matter, no provision has been considered necessary.
- (b) Note 30A(d) of the consolidated financial statements relating to the Arbitral Award against the Holding Company for claims of Rs. 218.45 Crore by the Arbitral Tribunal under a contract with customer for dispute and related provisions. The Holding Company has made a provision of Rs. 50.63 Crore and for the balance amount, no provision has been considered necessary. The Holding Company has received stay of operation and execution of the Arbitral Award by the High Court of Bombay after depositing an amount of Rs. 218.45 Crore.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in



relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors

of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>A) Accounting for Revenue from Contracts with Customers <i>(as described in Note 21 of the consolidated financial statements)</i></p> <p>The Group's revenue comprises of revenue generated from sale of industrial products as well as from Engineering, Procurement and Construction (EPC) contracts. The total revenues for the year amounted to Rs. 9,237.24 Crore.</p> <p>Revenues are recognised under Ind AS 115, Revenue from Contracts with Customers basis the nature and type of the contracts. We consider accounting of revenue contracts to be an area posing a significant risk of material misstatement and accordingly a key audit matter as due to the varied nature of the contracts, identification of contractual obligations, point of time for transfer of control, significant judgements involved in determining the contract costs (including costs incurred to date and estimated total cost), rights to receive payments including those for performance completed till date and recognition for loss making contracts/ onerous obligations. Revenue and profits for the year may deviate significantly on account of changes in the above judgements and estimates.</p>	<p>The audit procedures performed by us and the auditors of the subsidiaries ('other auditors') included the following:</p> <ul style="list-style-type: none"> • We and other auditors understood the Group's policies and processes, control mechanisms and methods in relation to the revenue recognition for revenue contracts and evaluated the design and operative effectiveness of the financial controls from the above through our test of control procedures. • We and other auditors obtained and read the terms of sample revenue contracts to evaluate the management's process to assess nature of contractual performance obligations, the point of time for transfer of control to customer and other relevant terms necessary for revenue recognition. • We and other auditors tested revenue, on sample basis, recorded during the period closer to year-end by testing the supporting documentation. • We and other auditors performed analytical procedures and conducted inquiries with senior management about any unusual trends of revenue recognition. • For EPC contracts, on sample basis, we and other auditors performed the following procedures among others: <ul style="list-style-type: none"> - Provision for liquidated damages and claims: Discussed with management and project teams to understand the status of the project and likelihood of customers imposing any contractual penalties through inspection of the relevant documents and correspondences. - Contingency provisions: Understood the management's estimate and rationale for the contingency provision movement during the year. We and other auditors analysed the movement throughout the life of the contract and discussed progress to date with project teams to determine whether the remaining contingency provision is sufficient coverage for the residual risks identified for those projects

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> - Assessment of costs-to-complete: Performed procedures on balance cost estimation, tested the historical accuracy of previous forecasts and discussed variances with project teams, tested that the costs incurred were accrued at year-end and tested the significant assumptions for balance costs-to-complete. - Performed analytical procedures and checked exceptions for contracts with low or negative margins, loss making contracts/ onerous contracts, contracts with significant changes in cost estimates and significant overdue net receivable positions for contracts with marginal or no movement to determine the level of provisioning required. • We read and tested the presentation and disclosure in the consolidated financial statements are in accordance with applicable accounting standards.

B) Impairment of trade receivables and contract assets

(as described in Note 7 and 9 of the consolidated financial statements)

Impairment of financial assets and contract assets is covered through Expected Credit Losses (ECL) method under Ind AS 109 and is expected to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. Impairment of financial assets is a key audit matter as the Group has devised a model to recognise impairment through ECL method using individual receivables or for homogeneous group of receivables with similar credit risk characteristics.

The calculation of the impairment allowance under ECL method is highly judgmental as it requires management to make significant assumptions on customer payment behavior and other relevant risk characteristics when assessing the Group's statistics of historical information and estimating the level and timing of expected future cash flows.

As at the March 31, 2024, the Group recorded an impairment provision of Rs. 413.67 Crore for its receivables and contract assets.

- The audit procedures performed by us, and the other auditors included the following:
- We and other auditors evaluated the management's key data sources and assumptions used in the ECL model to determine impairment allowance.
 - We and other auditors understood the management's basis to consider the associated risks for identifying homogeneous group of receivables and contract assets.
 - We and other auditors evaluated the process followed by the Group for determination of credit risk and the resultant basis for classification of receivables into various stages.
 - For a sample of receivables, we and other auditors tested the ageing of the receivables and contract assets considered for impairment calculations.
 - We and other auditors assessed the completeness of receivables and contract assets included in the ECL calculations as of the reporting date.
 - We and other auditors considered the consistency of various inputs and assumptions used by the Group management to determine impairment provisions.
 - We read and tested the disclosures in the notes to consolidated financial statements are as per the relevant accounting standards.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Business Responsibility Report, Sustainability Report and Director's Report of the Annual Report of the Group including its associates, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged With Governance of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged With Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged With Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements and other financial information, in respect of 27 subsidiaries, 2 branches of subsidiary and various trusts, whose financial statements include total assets of Rs. 2,014.40 Crore as at March 31, 2024, and total revenues of Rs. 636.19 Crore and net cash outflows of Rs. 105.77 Crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, branches of subsidiary and trusts, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, branches of subsidiary and trusts is based solely on the reports of such other auditors.
- The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 5 subsidiaries, whose financial statements and other financial information reflect total assets of Rs. 13.47 Crore as at March 31, 2024, and total revenues of Rs. 17.97 Crore and net cash inflows of

Rs. 4.04 Crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of Rs. 0.82 Crore for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements, other financial information have not been audited and whose unaudited financial statements and other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on such unaudited financial statements and other unaudited financial information.

In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

- Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the companies incorporated in India, qualifications or adverse remarks made by us or the respective auditors in the Companies (Auditor's Report) Order report of the companies included in the consolidated financial statements are:

S. No	Name	CIN	Holding company/ subsidiary/ step-down subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Thermax Limited	L29299PN1980PLC022787	Holding Company	Clause (xi)(a) Clause (xi)(c)

- As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of accounts required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors, except that with respect to certain entities as disclosed in note 44A to the consolidated financial statements, the back-up of books of account was not kept in servers physically located in India on a daily basis as stated in Note 44A to the consolidated financial statements and except for the matters stated in the paragraph (j)(vi) below on reporting under Rule 11(g);
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

We communicate with Those Charged With Governance of the Holding Company and such other entities included in

- (e) The matters against the Group described in 'Emphasis of Matters' paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under section 143(3)(b) and paragraph (j)(vi) below on reporting under Rule 11(g);
- (h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this Report;
- (i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2024, has been paid by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated

- financial statements – Refer Note 30A to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 9(b) and 18(b) to the consolidated financial statements in respect of such items as it relates to the Group and its associates and (b) the Group's share of net loss in respect of its associates;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2024;
- iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited

- under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. (a) The final dividend paid by the Holding Company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;
- (b) The interim dividend declared and paid during the year by a subsidiary incorporated in India and until the

- date of the respective audit reports of such subsidiary is in accordance with section 123 of the Act;
- (c) As stated in note 15(b) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend; and
- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 44B to the consolidated financial statements, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered in respect of other accounting software.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 24213935BKENGB5968

Place: Pune
Date: May 10, 2024

Annexure 1 as referred to in paragraph 2(h) under the heading ‘Report on Other Legal and Regulatory Requirements’ to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Thermax Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of Thermax Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection

of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were

operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 4 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vaibhav Kumar Gupta

Partner
Membership Number: 213935
UDIN: 24213935BKENGB5968

Place: Pune
Date: May 10, 2024

CONSOLIDATED BALANCE SHEET

as at March 31, 2024

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

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
I. Non-current assets			
Property, plant and equipment	4 (a)	1,701.45	1,039.89
Capital work-in-progress	4 (b)	519.35	433.77
Right-of-use assets	4 (c)	173.04	176.06
Goodwill	4 (d)	3.03	3.03
Other intangible assets	4 (d)	28.60	29.19
Intangible assets under development	4 (d)	5.44	-
Investment in associates	5	19.05	16.37
Financial assets:			
(a) Investments	6 (a)	382.58	216.84
(b) Trade receivables	7 (a)	150.63	114.50
(c) Loans	8 (a)	4.28	4.66
(d) Finance lease receivables	31	156.98	117.64
(e) Other assets	9 (a)	77.96	65.71
Deferred tax assets (net)	10	108.55	108.62
Income tax assets (net)		209.03	219.64
Other assets	11 (a)	164.96	212.53
Total non-current assets		3,704.93	2,758.45
II. Current assets			
Inventories	12	764.90	755.63
Financial assets:			
(a) Investments	6 (b)	1,363.46	1,392.87
(b) Trade receivables	7 (b)	2,116.43	1,762.06
(c) Cash and cash equivalents	13 (a)	486.58	452.82
(d) Bank balances other than (c) above	13 (b)	488.74	678.76
(e) Loans	8 (b)	1.14	2.46
(f) Finance lease receivables	31	22.80	22.83
(g) Other assets	9 (b)	539.93	527.64
Income tax assets (net)		0.52	1.19
Other assets	11 (b)	663.58	476.00
Total current assets		6,448.08	6,072.26
III. Assets classified as held for sale	43	-	7.90
Total assets		10,153.01	8,838.61
Equity and liabilities			
IV. Equity			
Equity share capital	14	22.52	22.52
Other equity	15 (a)	4,417.28	3,845.55
Equity attributable to equity holders of the parent		4,439.80	3,868.07
Non-controlling interests	35	-	2.15
Total equity		4,439.80	3,870.22
V. Non-current liabilities			
Financial liabilities:			
(a) Borrowings	16 (a)	789.48	422.52
(b) Lease liabilities	31	16.41	14.74
(c) Trade payables	17 (a)	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		48.15	30.75
(d) Other liabilities	18 (a)	51.04	28.24
Provisions	19 (a)	42.43	38.40
Deferred tax liabilities (net)	10	12.28	2.91
Other liabilities	20 (a)	28.07	21.64
Total non-current liabilities		987.86	559.20
VI. Current liabilities			
Financial liabilities:			
(a) Borrowings	16 (b)	466.47	388.02
(b) Lease liabilities	31	5.07	5.25
(c) Trade payables	17 (b)	-	-
Total outstanding dues of micro and small enterprises		616.53	518.02
Total outstanding dues of creditors other than micro and small enterprises		916.36	979.84
(d) Other liabilities	18 (b)	189.44	145.05
Provisions	19 (b)	305.32	203.71
Income tax liabilities (net)		41.05	24.44
Other liabilities	20 (b)	2,185.11	2,144.86
Total current liabilities		4,725.35	4,409.19
Total equity and liabilities		10,153.01	8,838.61
Summary of material accounting policies	2		
Summary of significant accounting estimates and judgements	3		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Janhavi Khele
Company Secretary

Place: Pune
Date: May 10, 2024

Place: Pune
Date: May 10, 2024



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

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

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	21	9,323.46	8,089.81
Other income	22	232.57	160.18
Total income (I)		9,556.03	8,249.99
Expenses			
Cost of raw materials and components consumed	23	5,091.56	4,442.70
Purchase of traded goods		162.99	152.73
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	24	(34.99)	29.25
Employee benefits expense	25	1,148.29	955.30
Finance cost	26	87.59	37.59
Depreciation, amortisation and impairment expense	4 (f)	148.08	116.86
Other expenses	27	2,158.22	1,912.27
Total expenses (II)		8,761.74	7,646.70
Profit before tax and share of (loss) of associates (III) = (I-II)		794.29	603.29
Share of (loss) of associates (IV)	5	(0.82)	(0.23)
Profit before exceptional items and tax (V) = (III+IV)		793.47	603.06
Exceptional items gain (VI)	45	75.49	-
Profit before tax (VII) = (V+VI)		868.96	603.06
Tax expense	10		
Current tax		214.46	125.89
Deferred tax (net)		11.31	26.47
Total tax expense (VIII)		225.77	152.36
Profit for the year (IX) = (VII-VIII)		643.19	450.70
Other Comprehensive Income (OCI)			
A. Items that will not be reclassified subsequently to profit or loss			
i) Re-measurement (loss)/gain on defined benefit plan	29	(8.76)	(14.16)
Less: Income tax effect		2.11	3.57
		(6.65)	(10.59)
ii) Share of OCI of associates (Re-measurement (loss)/gain on defined benefit plan)	5(a)(i)	-	(0.03)
Less: Income tax effect		-	-
		(6.65)	(10.62)
B. Items that will be reclassified subsequently to profit or loss			
i) Net gain/(loss) on cash flow hedges	29	3.00	(6.64)
Less: Income tax effect		(0.75)	1.58
		2.25	(5.06)
ii) Exchange differences on translating of foreign operations		(4.47)	15.87
		(2.22)	10.81
Net other comprehensive income for the year (net of tax) (X)		(8.87)	0.19
Total comprehensive income for the year (XI=IX + X)		634.32	450.89
Profit for the year			
Attributable to:			
Equity holders of the parent		645.28	450.29
Non-controlling interest	35	(2.09)	0.41
Other comprehensive income for the year			
Attributable to:			
Equity holders of the parent		(8.81)	0.20
Non-controlling interest	35	(0.06)	(0.01)
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		636.47	450.49
Non-controlling interest	35	(2.15)	0.40
Earning per equity share [Nominal value per share Rs. 2/- each (March 31, 2023: Rs. 2/-)] (computed on the basis of profit for the year attributable to equity holders of the parent)	28		
Basic		57.30	39.98
Diluted		57.28	39.97
Summary of material accounting policies	2		
Summary of significant accounting estimates and judgements	3		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Janhavi Khele
Company Secretary

Place: Pune
Date: May 10, 2024

Place: Pune
Date: May 10, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

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

A Equity Share Capital[^]

	Note	As at March 31, 2024		As at March 31, 2023	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	14	112,614,860	22.52	112,614,860	22.52
Changes in equity shares capital during the year*	14	5,888	0.00	-	-
Balance at the end of the year	14	112,620,748	22.52	112,614,860	22.52

*Represents less than a lakh

B Other Equity[^] (Refer note 15)

Description	Attributable to the equity holders of the parent								Non-controlling interest	Total	
	Reserves and surplus					Other reserves					Total other equity
	General reserve	Share based payment reserve	Capital reserve	Capital redemption reserve	Retained earnings	Securities premium	Foreign currency translation reserve	Effective portion of cash flow hedge reserve			
As at April 1, 2023	435.31	2.52	95.12	60.34	3,141.57	57.28	57.49	(4.08)	3,845.55	2.15	3,847.70
Profit for the year	-	-	-	-	645.28	-	-	-	645.28	(2.09)	643.19
Other Comprehensive Income (net)	-	-	-	-	(6.59)	-	(4.47)	2.25	(8.81)	(0.06)	(8.87)
Total comprehensive income	-	-	-	-	638.69	-	(4.47)	2.25	636.47	(2.15)	634.32
Share based payments (note 25)	-	4.88	-	-	-	-	-	-	4.88	-	4.88
Transactions with non-controlling shareholders	-	-	-	-	43.05	-	-	-	43.05	-	43.05
Exercise of share options	-	(1.43)	-	-	-	1.43	-	-	-	-	-
Dividends paid	-	-	-	-	(112.67)	-	-	-	(112.67)	-	(112.67)
As at March 31, 2024	435.31	5.97	95.12	60.34	3,710.64	58.71	53.02	(1.83)	4,417.28	-	4,417.28
As at April 1, 2022	435.31	-	95.12	60.34	2,779.32	57.28	41.62	0.98	3,469.97	-	3,469.97
Profit for the year	-	-	-	-	450.29	-	-	-	450.29	0.41	450.70
Other Comprehensive Income (net)	-	-	-	-	(10.61)	-	15.87	(5.06)	0.20	(0.01)	0.19
Total comprehensive income	-	-	-	-	439.68	-	15.87	(5.06)	450.49	0.40	450.89
Share based payments (note 25)	-	2.52	-	-	-	-	-	-	2.52	-	2.52
Arising on account of acquisition	-	-	-	-	-	-	-	-	-	1.75	1.75
Transactions with non-controlling shareholders	-	-	-	-	24.61	-	-	-	24.61	-	24.61
Dividends paid	-	-	-	-	(102.04)	-	-	-	(102.04)	-	(102.04)
As at March 31, 2023	435.31	2.52	95.12	60.34	3,141.57	57.28	57.49	(4.08)	3,845.55	2.15	3,847.70

*There are no adjustments on account of prior period errors or due to changes in accounting policies.

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 10, 2024

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee
Chairperson
DIN: 00019581

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 10, 2024

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Janhavi Khele
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2024

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

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
A) Cash flows from operating activities			
Profit before tax (after share of (loss)/profit of associates)		868.96	603.06
Add: Share of (loss) on associates		(0.82)	(0.23)
Profit before tax (before share of (loss) of associates)		869.78	603.29
Adjustments to reconcile profit before tax to net cash flows			
Depreciation/amortisation and impairment on property, plant and equipment, right-of-use assets and intangible assets	4 (f)	148.08	116.86
Provision for impairment allowance of financial assets (net)	27	59.11	37.76
Provision for advances (net)	27	(1.63)	2.92
Provision related to litigation	45	50.63	-
Gain on sale of Property, Plant and Equipment	45	(126.12)	-
Interest expense	26	83.65	26.00
Unwinding of discount on provisions	26	12.26	11.95
Unrealised foreign exchange (gain)/ loss		(5.64)	(0.26)
Interest income	22	(87.16)	(69.55)
Liabilities no longer required written back	22	(16.07)	(16.83)
Fair value gain on financial instrument at fair value through profit and loss (net)	22	(83.07)	(44.85)
Loss on sale/discard of assets (net)	27	0.88	3.79
Share based payment expenses	25	4.88	2.52
Working capital adjustments			
(Increase)/decrease in trade receivables		(443.98)	(314.42)
(Increase)/decrease in inventories		(9.27)	(28.62)
(Increase)/decrease in other financial assets/lease receivables		(49.44)	(109.36)
(Increase)/decrease in other assets		(181.26)	(103.71)
(Decrease)/increase in trade payables		69.01	38.58
(Decrease)/increase in other liabilities		60.88	450.04
(Decrease)/increase in provisions		33.99	(9.05)
(Decrease)/increase in other financial liabilities		44.12	13.74
Cash generated from operations		433.63	610.80
Direct taxes paid (net of refunds received)		(186.33)	(151.24)
Net cash inflow from operating activities		247.30	459.56
B) Cash flows (used in) investing activities			
Purchase of property, plant and equipment, right of use of assets (ROU) and intangible assets		(843.94)	(664.22)
Sale of property, plant and equipment, right of use of assets (ROU) and intangible assets		125.41	14.28
Investment in associates		(3.50)	(10.00)
Investment in fixed deposits		(559.94)	(902.39)
Redemption in fixed deposits		982.95	746.40
Purchase of investments		(3,302.60)	(2,524.86)
Proceeds from sale of investments		3,005.25	2,591.56
Interest received		87.16	69.55
Net cash flows (used in) investing activities		(509.21)	(679.68)

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2024

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

Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
C) Cash flows from financing activities		
Proceeds from issue of shares including premium	0.01	-
Proceeds from borrowings	968.55	810.44
Payments of borrowings	(537.92)	(362.31)
Interest paid	(82.09)	(25.57)
Dividend paid	(112.75)	(102.13)
Payment of lease liability	(10.15)	(9.80)
Transactions with non-controlling interests	59.75	36.16
Proceeds from issuance of shares to non-controlling interest	-	1.75
Net cash flows from financing activities	285.40	348.54
Net increase in cash and cash equivalents	23.49	128.42
Cash and cash equivalents at the beginning of the year	447.73	303.44
Exchange differences on translation of foreign operations	(4.47)	15.87
Cash and cash equivalents at the end of the year	466.75	447.73

Reconciliation of cash and cash equivalents as per the cash flow statement:

Notes	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	486.58	452.82
Bank overdraft	(19.83)	(5.07)
Book overdraft	-	(0.02)
Balances as per Cash flow statement	466.75	447.73

**As per our report of even date attached
For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 10, 2024

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee
Chairperson
DIN: 00019581

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 10, 2024

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Janhavi Khele
Company Secretary

1 Corporate Information

Thermax Limited ('the Holding Company' or 'the Company'), its subsidiaries (together referred to as 'the Group') and its associates is a leading energy and environment solutions provider headquartered in Pune, India. Its business portfolio includes;

- **Industrial Products** - 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);
- **Industrial Infra** - EPC of Power Plants, Boiler & Heater (high capacity) plants, Infra projects, Bio-CNG projects, Flue Gas Desulphurisation projects. Includes associated services;
- Build, Own and Operate (BOO) model of **Green solutions** for Energy and Environment utilities; and
- **Chemicals** - Ion Exchange Resins, Performance Chemicals, Construction Chemicals, Water Treatment Chemicals, Oil Field Chemicals, Paper Chemicals and Construction Chemicals and related services.

The Holding Company is a public limited company incorporated under the provisions of The Companies Act, 2013 and domiciled in India. It is listed on the BSE Limited (BSE) and National Stock Exchange Limited (NSE) in India. The address of its registered office is D-13, MIDC Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411019, India. The Board of Directors have approved these financial statements on May 10, 2024. The CIN of the Company is L29299PN1980PLC022787.

2 Material Accounting Policies

2.1 Basis of preparation, measurement and consolidation

a. Basis of preparation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards)

Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (the Act) (Ind AS compliant Sch III) as applicable to the consolidated financial statements.

The preparation of the consolidated financial statements requires the use of certain critical accounting judgements, estimates and assumptions. It also requires the management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed separately in note 3.

The accounting policies adopted for preparation and presentation of these consolidated financial statements have been consistently applied except for changes resulting from amendments to Ind AS issued by the Ministry of Corporate Affairs, effective for financial years beginning on or after April 1, 2023 as disclosed in note 2.3.

b. Basis of measurement

The consolidated financial statements have been prepared on the accrual and going concern basis under historical cost convention except the following:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans whereby the plan assets are measured at fair value.

c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries and its associates as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidation procedure

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The accounting policy regarding business combinations and goodwill explains how to account for any related goodwill;
- Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may

indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

d. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- **Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Taxes" and Ind AS 19 "Employee Benefits", respectively;**

- **Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.**

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2.2 Summary of material accounting policies

a. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining whether significant influence exists are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of profit and loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of associates is shown on the face of the Statement of profit and loss outside operating profit. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

b. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c. Foreign currencies

The Group's consolidated financial statements are prepared in INR, which is also the functional currency of the Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

d. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy (note 36);
- Financial instruments (including those carried at amortised cost) (note 36).

For assets and liabilities that are recognised in the financial statements on a recurring basis,

the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of assumption is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 36 for further disclosures.

e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit and loss. For all subsequent measurements financial assets are classified in following categories by the Group:

(i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in income in the Consolidated Statement of profit and loss. The losses arising from impairment are recognised in the Consolidated Statement of profit and loss.

(ii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI is classified as FVTPL (refer note 6).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of profit and loss.

(iii) Equity investments

All equity investments in scope of Ind AS 109 - "Financial Instrument", are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on acquisition of an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are provided in the following notes:

- **Trade receivables** - Refer note 7;
- **Loans** - Refer note 8;
- **Contract assets and Other financial assets** - Refer note 9;
- **Finance lease receivables** - Refer note 31.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement of financial liabilities depends on their classification as fair value through profit and loss or at amortised cost.

All changes in fair value of financial liabilities classified as FVTPL is recognised in the Consolidated Statement of profit and loss.

Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part on EIR. The EIR amortisation is included as finance cost in the Consolidated Statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

f. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which

a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as "Cash flow hedges" when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Consolidated Statement of profit and loss. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in consolidated statement of profit and loss.

Amounts recognised in OCI are transferred to the Consolidated Statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

g. Shares held by ESOP and Welfare trusts

The Group has created ESOP Trust and various employee Welfare Trusts for providing share-based payment to/welfare of its employees and various other employee benefit trusts for providing other employee benefits such as loans at concessional rates for various purposes, collectively referred to as Employee Benefit Trusts. Own equity instruments are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any

difference between the carrying amount and the consideration, if reissued, is recognised in Securities premium.

In respect of stock options granted pursuant to the Holding Company's Employee Stock Option Scheme, the Group recognises employee compensation expense, using the grant date fair value in accordance with Ind AS 102 - "Share Based Payment", on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. Employees (senior executives) of the Group receive remuneration in the form of share-based payments of Holding Company, whereby employees render services as consideration for equity instruments.

Determination of the Group's control over these trusts for the purpose of consolidation requires judgement on the part of the Management of the Group.

The ESOP trust and various Employee Welfare Trusts, being separate legal entities, are not considered for the purpose of consolidation in the standalone financial statements. However, these trusts have been consolidated in the consolidated financial statements under Ind AS 110 - "Consolidated Financial Statements".

The Group initially measures the cost of transactions with employees using a Black Scholes Options Pricing model to determine the fair value of the liability incurred.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model and the performance of the Holding Company, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 40.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Group applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give

rise to equal taxable and deductible temporary differences such as leases.

The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

2.4 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the consolidated financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

3 Significant Accounting Estimates and Judgements

In the application of the Group's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to

accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Consolidated Financial Statements.

The areas involving critical estimates or judgements are:

- a. Estimations used for fair value measurement (Refer note 2.2.d);
- b. Estimations used for impairment of financial assets and liabilities (Refer note 2.2.e);
- c. Estimates and assumptions related to useful lives and impairment of Property, Plant and Equipment (PPE) (Refer note 4);
- d. Estimates and assumptions for income taxes (Refer note 10);
- e. Estimates and assumptions related to provisions (Refer note 19);
- f. Estimates, judgments and assumptions used for revenue from operations (Refer note 21);
- g. Estimates and judgements used for contingent liabilities and commitments (Refer note 30);
- h. Judgements related to leasing arrangements (Refer note 31);
- i. Judgements related to segment reporting (Refer note 34).

4 Property, Plant and Equipment (PPE)

Accounting policy

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any. All significant costs relating to the acquisition and installation of PPE are capitalised. Subsequent costs/replacement costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of profit and loss during

the financial year in which they are incurred. The carrying amount of the replaced part is derecognised. The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation on PPE is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain classes of assets. The following useful lives are adopted by the management:

Asset category	Group's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Factory buildings (including roads)	3 to 30	30
Other buildings	15 to 58	60
Plant and equipment	3 to 25	15 to 20
Office equipment	15	15
Furniture and fixtures	15	10
Computers and data processing units	4 to 6	3 to 6
Vehicles	5 to 8	8

The residual values, useful lives and methods of depreciation of PPE are reviewed on a regular basis and changes in estimates, when relevant, are accounted for on a prospective basis.

Estimates and assumptions:

The Group determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of PPE

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent periods, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses including impairment on inventory are recognised in the Statement of profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Estimates and assumptions

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years as approved by the Management and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the terminal growth rate used.

(a) Property, Plant and Equipment

Description	Freehold land	Buildings	Plant and equipment**	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work-in-progress#
Gross carrying amount as at April 1, 2022*	11.97	785.15	853.62	41.89	74.34	38.26	19.16	1,824.39	44.32
Additions	7.33	2.97	119.04	2.86	18.57	1.37	5.56	157.70	547.15
Disposals	-	(3.30)	(32.46)	(1.66)	(5.08)	(2.50)	(5.23)	(50.23)	(157.70)
Non-current asset classified as held for sale (Refer note 43)	(0.36)	(18.23)	(0.49)	-	-	-	-	(19.08)	-
Exchange differences	-	5.48	3.45	0.34	0.03	0.13	0.01	9.44	-
Gross carrying amount as at March 31, 2023	18.94	772.07	943.16	43.43	87.86	37.26	19.50	1,922.22	433.77
Additions	2.15	31.49	736.39	3.21	12.00	2.59	8.74	796.57	882.15
Disposals	(1.27)	(0.15)	(9.75)	(4.48)	(7.73)	(1.37)	(4.44)	(29.19)	(796.57)
Exchange differences	-	1.35	0.57	0.05	(0.02)	(0.04)	(0.01)	1.90	-
Gross carrying amount as at March 31, 2024	19.82	804.76	1,670.37	42.21	92.11	38.44	23.79	2,691.50	519.35
Accumulated depreciation and impairment as at April 1, 2022*	-	204.23	521.80	23.57	50.10	23.77	9.97	833.44	-
Charge for the year	-	24.97	54.26	2.59	9.02	2.31	3.01	96.16	-
Disposals	-	(0.60)	(30.10)	(1.52)	(3.17)	(1.51)	(4.48)	(41.38)	-
Non-current asset classified as held for sale (Refer note 43)	-	(11.07)	(0.11)	-	-	-	-	(11.18)	-
Exchange differences	-	2.19	2.69	0.31	0.02	0.07	0.01	5.29	-
Accumulated depreciation and impairment as at March 31, 2023	-	219.72	548.54	24.95	55.97	24.64	8.51	882.33	-
Charge for the year	-	31.12	67.60	3.10	9.78	1.74	3.52	116.86	-
Impairment	-	4.20	8.61	-	-	-	-	12.81	-
Disposals	-	(0.15)	(8.71)	(3.17)	(6.34)	(1.21)	(3.14)	(22.72)	-
Exchange differences	-	0.21	0.57	0.05	(0.02)	(0.03)	(0.01)	0.77	-
Closing accumulated depreciation and impairment as at March 31, 2024	-	255.10	616.61	24.93	59.39	25.14	8.88	990.05	-
Net Block as at March 31, 2024	19.82	549.66	1,053.76	17.28	32.72	13.30	14.91	1,701.45	519.35
Net Block as at March 31, 2023	18.94	552.35	394.62	18.48	31.89	12.62	10.99	1,039.89	433.77

*The Group had elected to continue with the carrying value of property, plant and equipment as recognised in the consolidated financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition (i.e. April 1, 2015). The Group has disclosed the gross cost and accumulated depreciation above, for information purpose only.

#Capital work in progress majorly includes expenditure towards construction of new solar and hybrid renewable energy plants.

**A portion of plant and equipments includes assets categorised as assets leased on operating lease arrangement. Refer note 31(i)(b).

Refer note 16 for property, plant and equipment given as security for borrowings.

(b) Capital Work-in-Progress ('CWIP')

Accounting policy

The Group recognises capital work in progress at cost, net of accumulated impairment loss, if any.

Ageing of CWIP*:

Description	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years		
Project in progress	March 31, 2024	501.95	16.34	1.06	519.35
	March 31, 2023	431.51	2.26	-	433.77
Projects temporarily suspended	March 31, 2024	-	-	-	-
	March 31, 2023	-	-	-	-
Total Capital work-in-progress	March 31, 2024	501.95	16.34	1.06	519.35
	March 31, 2023	431.51	2.26	-	433.77

*For CWIP, there are no projects whose completion date is overdue or exceeded its cost as compared to its original plan for the year ended and as at March 31, 2024 and March 31, 2023 except:

- Plant and Machinery for manufacturing facility which is overdue for pending trials (2-3 years - Rs. 1.06). Expected to complete the same in FY 24-25.
- Capital work in progress of Rs. 27.93 consists of a project which became overdue as compared to its original plan and expected to be completed by FY 24-25.
- Capital work in progress of Rs. 388.44 (March 31, 2023 : Rs. 381.27) is relating to solar/ hybrid renewable energy plants. These projects are expected to be completed and capitalised between Apr-24 to Jun-24.

(c) Right-of-Use (ROU) Assets

Accounting policy

The Group recognises ROU assets at cost at the commencement date of the lease. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. After the commencement date, ROU assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated remaining useful lives of the assets, as follows:

Assets category	Group's estimate of useful life (years)
Leasehold Land	1 to 99
Buildings	5 to 58
Vehicles	5 to 8

Description	Leashold Land*	Buildings	Vehicles	Total
Gross carrying amount as at April 1, 2022	160.37	18.45	3.50	182.32
Additions	13.10	1.82	2.58	17.50
Disposals	-	(3.30)	(1.91)	(5.21)
Exchange differences	1.72	0.44	0.25	2.41
Gross carrying amount as at March 31, 2023	175.19	17.41	4.42	197.02
Additions	2.73	6.78	0.68	10.19
Disposals	(1.64)	(6.72)	(0.09)	(8.45)
Exchange differences	(1.81)	-	0.04	(1.77)
Gross carrying amount as at March 31, 2024	174.47	17.47	5.05	196.99
Accumulated depreciation and impairment as at April 1, 2022	9.64	7.06	2.38	19.08
Charge for the year	1.50	3.59	0.92	6.01
Disposals	-	(2.91)	(1.64)	(4.55)
Exchange differences	-	0.32	0.10	0.42
Accumulated depreciation and impairment as at March 31, 2023	11.14	8.06	1.76	20.96
Charge for the year	2.13	3.19	1.19	6.51
Disposals	(0.21)	(3.24)	(0.09)	(3.54)
Exchange differences	-	-	0.02	0.02
Closing accumulated depreciation and impairment as at March 31, 2024	13.06	8.01	2.88	23.95
Net Block as at March 31, 2024	161.41	9.46	2.17	173.04
Net Block as at March 31, 2023	164.05	9.35	2.66	176.06

*The Group has taken certain assets on lease which has been accounted in accordance with Ind AS 116 - "Leases" under right-of-use assets. Refer note 31 for further disclosure on leases.

For assets pledged as security, refer note 16.

(d) Intangible Assets and Goodwill

Accounting policy

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss when the asset is derecognised.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life subject to a maximum of ten years. Amortisation is recognised in the Statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

A summary of amortisation rates applied to the Group's intangible assets are as below:

Assets category	Life (years)
Technical know how	3 to 6
Computer software	3 to 10
Customer rights	3 to 5

Description	Computer software	Technical know-how#	Goodwill	Customer Rights	Total	Intangibles under development*
Gross carrying amount as at April 1, 2022*	97.07	85.33	162.67	-	345.07	-
Additions	7.88	-	-	0.09	7.97	-
Disposals	(6.94)	(3.52)	-	-	(10.46)	-
Exchange difference	0.41	0.10	7.14	-	7.65	-
Gross carrying amount as at March 31, 2023	98.42	81.91	169.81	0.09	350.23	-
Additions	11.54	0.01	-	-	11.55	5.44
Disposals	(20.31)	(0.03)	-	-	(20.34)	-
Exchange difference	(0.05)	0.02	(1.52)	-	(1.55)	-
Gross carrying amount as at March 31, 2024	89.60	81.91	168.29	0.09	339.89	5.44
Accumulated depreciation and impairment as at April 1, 2022*	76.86	68.02	159.64	-	304.52	-
Charge for the year	9.25	5.41	-	0.03	14.69	-
Disposals	(5.26)	(3.56)	-	-	(8.82)	-
Exchange difference	0.38	0.10	7.14	-	7.62	-
Accumulated depreciation and impairment as at March 31, 2023	81.23	69.97	166.78	0.03	318.01	-
Charge for the year	7.58	4.29	-	0.03	11.90	-
Disposals	(20.08)	-	-	-	(20.08)	-
Exchange difference	(0.06)	0.01	(1.52)	-	(1.57)	-
Closing accumulated depreciation and impairment as at March 31, 2024	68.67	74.27	165.26	0.06	308.26	-
Net Block as at March 31, 2024	20.93	7.64	3.03	0.03	31.63	5.44
Net Block as at March 31, 2023	17.19	11.94	3.03	0.06	32.22	-

*The Group had elected to continue with the carrying value of intangible assets and goodwill as recognised in the consolidated financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition (i.e. April 1, 2015). The Group has disclosed the gross cost and accumulated amortisation above, for information purpose only.

#Includes internally developed assets of net block Rs. 2.01 (March 31, 2023 : Rs. 5.45)

^Ageing of intangible assets under development

Description		Amount in intangible assets under development for a period of			
		Less than 1 year	1-2 years	2-3 years	Total
Project in progress	March 31, 2024	5.44	-	-	5.44
	March 31, 2023	-	-	-	-
Projects temporarily suspended	March 31, 2024	-	-	-	-
	March 31, 2023	-	-	-	-
Total intangible assets under development	March 31, 2024	5.44	-	-	5.44
	March 31, 2023	-	-	-	-

^For intangible assets under development, there are no projects whose completion date is overdue or exceeded its costs as compared to its original plan for the year ended and as at March 31, 2024 and March 31, 2023.

(e) Impairment Tests for Goodwill

Goodwill acquired through business combinations has been considered for impairment testing by the management.

Goodwill is tested for impairment at each reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

As at the March 31, 2024, the carrying amount of goodwill is Rs. 3.03 (March 31, 2023: Rs. 3.03). The Group performs impairment testing annually. The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five year period. Based on the cash flow projections, discount rate and other assumptions including gross margin, sales discount, market share, volume growth, etc it was concluded that the value in use exceeds the carrying value of goodwill and overall CGU. As a result of the analysis, no impairment of the Goodwill was required. As at March 31, 2024, there were no indicators of impairment noted by the management.

(f) Depreciation, Amortisation and Impairment Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation and impairment on property, plant and equipment (note 4(a))	129.67	96.16
Depreciation on right-of-use assets (note 4(c))	6.51	6.01
Amortisation of intangible assets (note 4(d))	11.90	14.69
Total	148.08	116.86

(g) Capitalisation of Expenses

During the year, the Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment and intangible assets. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	10.64	4.47
Others	9.92	1.67
Total	20.56	6.14

5 Investment in Associates

	Face value per share	Number of shares		Amount	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investments in Equity Instruments:					
Investments accounted using the equity method					
Cumulative convertible preference shares in associate (unquoted)					
Covacsis Technologies Private Limited (16.67%) (March 31, 2023: 16.67%)	Rs. 10	43,192	43,192	9.51	9.81
ExactSpace Technologies Private Limited (15.17%) (March 31, 2023: 10.41%)	Rs. 10	1,921	1,249	9.54	6.56
Total investments in associates				19.05	16.37

(a) Investment in associates - Equity method

(i) Investment in Covacsis Technologies Private Limited

The Group has acquired 16.67% share in Covacsis Technologies Private Limited (Covacsis) on July 22, 2022, which is involved in business of developing digital enabled service solutions with respect to process improvement, through-put enhancement, specific energy consumption reduction. The Group has right to participates in policy-making decision as well as a director representing the Group in the Board of Directors of Covacsis. As a result, the management has assessed that the Holding Company holds significant influence in Covacsis and the interest in Covacsis is accounted for using equity method in consolidated financial statements.

The summarised financial information of the associate, based on their unaudited financial statements, and reconciliation with the carrying amount of investment in consolidated financial statements are set out below:

Summarised Balance Sheet	As at March 31, 2024	As at March 31, 2023
Current assets		
Cash and cash equivalents	0.72	4.19
Other current assets	2.07	2.48
Total current assets (A)	2.79	6.67
Total non-current assets (B)	5.86	3.02
Non-current liabilities		
Financial liabilities	0.37	0.21
Other non-current liabilities	0.32	0.37
Total non-current liabilities (C)	0.69	0.58
Current liabilities		
Financial liabilities	1.79	1.39
Other current liabilities	0.75	0.54
Total current liabilities (D)	2.54	1.93
Net assets E=(A+B-C-D)	5.42	7.18
Group's share in net assets - 16.67% (March 31, 2023: 16.67%)	0.90	1.20
Goodwill	8.61	8.61
Carrying amount	9.51	9.81

The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not Thermax Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

Summarised statement of Profit and Loss	For the year ended March 31, 2024	For the period July 22, 2022 to March 31, 2023
Total income	5.33	4.01
Cost of raw materials and components consumed	0.77	0.87
Depreciation and amortisation expenses	0.52	0.40
Finance costs	0.23	0.07
Employee benefits expenses	3.40	2.21
Other expenses	2.20	1.41
(Loss) before tax	(1.79)	(0.95)
Tax expenses	-	-
(Loss) for the period	(1.79)	(0.95)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-	(0.18)
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-	-
Total comprehensive income for the period	(1.79)	(1.13)
Group's share of (loss) - 16.67%	(0.30)	(0.19)

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Holding Company. The Parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at March 31, 2024 and March 31, 2023.

(ii) Investment in Exactspace Technologies Private Limited

The Group has acquired 10.41% share in Exactspace Technologies Private Limited (Exactspace) on January 25, 2022, which is involved in business of developing artificial intelligence solutions. During the year, the Group has acquired 4.76 % of Holding by making an additional payment of Rs. 3.50. The Group has right to participates in policy-making decision as well as a director representing the Group in the Board of Directors of Exactspace. As a result, the Holding Company holds significant influence in Exactspace and the interest in Exactspace is accounted for using equity method in consolidated financial statements.

The summarised financial information of the associate, based on their unaudited financial statements, and reconciliation with the carrying amount of investment in consolidated financial statements are set out below:

Summarised Balance Sheet	As at March 31, 2024	As at March 31, 2023
Current assets		
Cash and cash equivalents	4.68	4.09
Other current assets	3.53	4.60
Total current assets (A)	8.21	8.69
Total non-current assets (B)	0.47	0.69
Non-current liabilities		
Financial liabilities	0.10	0.19
Other non-current liabilities	0.23	0.23
Total non-current liabilities (C)	0.33	0.42
Current liabilities		
Financial liabilities	0.35	0.16
Other current liabilities	1.68	1.04
Total current liabilities (D)	2.03	1.20
Net assets E=(A+B-C-D)	6.32	7.76
Group's share in net assets - 15.17% (March 31, 2023: 10.41%)	0.96	0.81
Goodwill	8.58	5.75
Carrying amount	9.54	6.56

The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not Thermax Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

Summarised statement of Profit and Loss	For the year ended March 31, 2024	For the year ended March 31, 2023
Total income	5.51	6.20
Cost of raw materials and components consumed	0.37	0.32
Depreciation and amortisation expenses	0.41	0.35
Employee benefits expenses	6.79	4.56
Other expenses	2.42	1.64
(Loss) before tax	(4.48)	(0.67)
Tax expenses	0.29	0.04
(Loss) for the period	(4.77)	(0.71)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-	-
Total comprehensive income for the period	(4.77)	(0.71)
Group's share of (loss)	(0.52)	(0.07)

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Holding Company. The Parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at March 31, 2024 and March 31, 2023.

6 Other Investments

(a) Non-Current Investments

	Face value per share	Number of shares		Amount	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investments in Equity Instruments:					
Investments at Fair Value through Profit and Loss					
Unquoted equity shares (fully paid up)					
Sicom Limited#	Rs. 10	10,000	10,000	-	-
Total investment in equity shares				-	-
Investments at Fair Value through Profit and Loss					
Fund of Funds (FOF)				80.62	75.08
Exchange Traded Funds (ETF) and Index Funds				88.69	82.53
Floater Fund				63.96	59.23
Sub total (A)				233.27	216.84
Investments in Bonds and NCD's:					
Investments at amortised cost					
Investments in Corporate Bonds (Unquoted)				149.31	-
Sub total (B)				149.31	-



	Face value per share	Number of shares		Amount	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Total non-current investments C = A+B				382.58	216.84
Aggregate amount of quoted investments and market value thereof				233.27	216.84
Aggregate amount of unquoted investments				149.31	-

*Deemed cost is considered to be Nil as on April 1, 2015.

Investments at fair value through profit or loss reflect investment in quoted and unquoted equity and debt securities. Refer note 36 for determination of their fair values.

(b) Current Investments

	As at March 31, 2024	As at March 31, 2023
Investments in Mutual Funds:		
Investments at fair value through profit and loss		
Units of Mutual Funds (Quoted)	1,047.56	763.52
Sub total (A)	1,047.56	763.52
Investments at amortised cost		
Investments in Corporate Bonds (Unquoted)	74.00	161.78
Sub total (B)	74.00	161.78
Investments at amortised cost		
Investments in Corporate Fixed Deposits (Unquoted)	241.90	467.57
Sub total (C)	241.90	467.57
Total current investments D=(A+B+C)	1,363.46	1,392.87
Aggregate amount of quoted investments and market value thereof	1,047.56	763.52
Aggregate amount of unquoted investments	315.90	629.35
Aggregate amount of impairment in the value of investments	-	-

Investments at fair value through profit or loss reflect investment in unquoted equity and debt securities. Refer note 36 for determination of their fair values.

7 Trade Receivables - At Amortised Cost

Accounting policy

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(a) Non-Current Trade Receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables from:		
i) Related parties (note 33)	-	-
ii) Others	150.63	114.50
Total	150.63	114.50

	As at March 31, 2024	As at March 31, 2023
Break-up for security details		
Secured, considered good	-	-
Unsecured, considered good	165.35	133.21
Trade receivables which has a significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	165.35	133.21
Less: Impairment allowance*	(14.72)	(18.71)
Total	150.63	114.50

The ageing of non-current trade receivables which are due for receipt:

Description	Not due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	March 31, 2024 March 31, 2023	165.35 133.21	- -	- -	- -	- -	165.35 133.21
Sub-total	March 31, 2024 March 31, 2023	165.35 133.21	- -	- -	- -	- -	165.35 133.21
Less: Impairment allowance	March 31, 2024 March 31, 2023	- -	- -	- -	- -	- -	(14.72) (18.71)
Total	March 31, 2024 March 31, 2023	150.63 114.50					150.63 114.50

The above ageing includes retention receivables which are classified as due or not due on the basis of the contractual terms with respective customers.

(b) Current Trade Receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables from:		
i) Related parties (note 33)	0.64	0.36
ii) Others	2,115.79	1,761.70
Total	2,116.43	1,762.06
Break-up for security details		
Secured, considered good	210.61	136.55
Unsecured, considered good	2,220.58	1,918.10
Trade receivables which has a significant increase in credit risk	19.04	44.80
Trade receivables - credit impaired	37.77	36.18
	2,488.00	2,135.63
Less: Impairment allowance*	(371.57)	(373.57)
Total	2,116.43	1,762.06

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any receivable from firms or private companies in which any director is a partner, a director or a member, respectively.

*Includes provision amounting to Rs. 19.04 (March 31, 2023 : Rs. 44.80) for trade receivables which have a significant increase in credit risk. For terms and conditions relating to related party receivables, refer note 33.

Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days.

The ageing of current trade receivables which are due for receipt:

Description		Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	March 31, 2024	1,111.49	830.49	162.65	164.24	45.05	108.10	2,422.02
	March 31, 2023	958.31	642.96	169.24	75.47	48.40	150.98	2,045.36
(ii) Undisputed trade receivables- which have significant increase in credit risk	March 31, 2024	0.17	0.17	0.08	0.02	0.41	14.32	15.17
	March 31, 2023	-	-	0.03	-	0.43	34.93	35.39
(iii) Undisputed trade receivables- credit impaired	March 31, 2024	0.87	6.03	2.36	9.67	7.79	9.86	36.58
	March 31, 2023	2.62	3.00	3.91	10.68	4.40	11.57	36.18
(iv) Disputed trade receivables- considered good	March 31, 2024	-	-	-	-	-	9.17	9.17
	March 31, 2023	-	-	-	-	-	9.29	9.29
(v) Disputed trade receivables- which have significant increase in credit risk	March 31, 2024	-	-	-	-	-	3.87	3.87
	March 31, 2023	-	-	-	-	-	9.41	9.41
(vi) Disputed trade receivables- credit impaired	March 31, 2024	-	-	1.19	-	-	-	1.19
	March 31, 2023	-	-	-	-	-	-	-
Sub-total	March 31, 2024	1,112.53	836.69	166.28	173.93	53.25	145.32	2,488.00
	March 31, 2023	960.93	645.96	173.18	86.15	53.23	216.18	2,135.63
Less: Impairment allowance	March 31, 2024							(371.57)
	March 31, 2023							(373.57)
Total	March 31, 2024							2,116.43
	March 31, 2023							1,762.06

The above ageing includes retention receivables which are classified as due or not due on the basis of the contractual terms with respective customers.

(c) Expected Credit Loss (ECL)

Accounting policy

In accordance with Ind AS 109 - "Financial Instruments", the Group applies ECL model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortised costs e.g. loans, deposits, trade receivables, contractual receivables and bank balances. The Group follows 'simplified approach' for recognition of impairment allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment allowance based on 12-month ECL. The Group considers current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates.

ECL impairment allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of profit and loss under the head 'other expenses'. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Estimates and judgements

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and timing of cash flows. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

As a practical expedient, the Group uses a provision matrix to determine ECL impairment allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates a default rate of total revenue for trade receivables and contract revenue for contract assets. The Group follows provisioning norms based on ageing of receivables to estimate the impairment allowance under ECL. For retention receivables, the Group additionally categorises the receivables due from Public Sector Undertakings (PSUs) and Non-PSUs and follows a wider aged bucket provisioning norms as the performance guarantee tests require certain time period after the supplies are completed. Refer note 7 and 9(b) for details of impairment allowance recognised at the reporting date.

The following table summarises the change in impairment allowance measured using the life time ECL model (Pursuant to Ind AS 109):

	Provision on trade receivables		Provision on unbilled revenue (contract assets) (Refer note 9(b))	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	392.28	402.48	24.59	18.33
Less: Bad debts/write off	(62.31)	(32.61)	-	-
	329.97	369.87	24.59	18.33
Add: Provision made during the year	135.76	101.17	2.91	6.37
Less: Reversed during the year	(83.17)	(79.66)	(0.12)	(0.11)
Exchange differences	3.73	0.90	-	-
At the end of the year	386.29	392.28	27.38	24.59

8 Loans - At Amortised Cost

(a) Non-Current Loans

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans to employees	4.28	4.66
Total	4.28	4.66
Classification of above is as follows:		
Loans receivables - considered good - Secured	-	-
Loans receivables - considered good - Unsecured	4.28	4.66
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Total	4.28	4.66

(b) Current Loans

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans to employees	1.14	2.46
Total	1.14	2.46
Classification of above is as follows:		
Loans receivables - considered good - Secured	-	-
Loans receivables - considered good - Unsecured	1.14	2.46
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Loans receivables - credit impaired	1.14	2.46

Loans are various kinds of non-derivative financial assets which generate fixed interest income. The tenure of such loans have different time range based on employee eligibility.

No loans are due from directors or key managerial persons of the Group either severally or jointly with any other person or from firms or private companies in which any director is a partner, a director or a member, respectively.

9 Other Financial Assets

Accounting policy

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing. Contract assets are recorded in balance sheet as unbilled revenue.

(a) Other Non-Current Assets

	As at March 31, 2024	As at March 31, 2023
Bank deposits with remaining maturity more than twelve months [#]	51.91	40.83
Unbilled revenue (contract assets)	13.57	10.72
Security deposits	12.48	14.16
Total	77.96	65.71

[#]Includes bank deposits Rs. 1.50 (March 31, 2023 : Rs. 0.90) which are pledged as margin money.

(b) Other Current Assets

	As at March 31, 2024	As at March 31, 2023
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	1.08	1.57
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	1.66	2.28

	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Export incentive receivable	7.13	8.16
Unbilled revenue (contract assets) [^]	488.72	484.41
Security deposits [*]	13.76	3.89
Others	27.58	27.33
Total	539.93	527.64

^{*}Includes lease deposits given to directors of Rs. 0.18 (March 31, 2023 : Rs. 0.18). The maximum amount due from directors during the year amounted to Rs. 0.18 (March 31, 2023 : Rs. 0.18), refer note 33. This also includes deposits given to various other parties for rent, utilities etc.

Financial assets at fair value through other comprehensive income reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales and purchases in various foreign currencies.

[^]Unbilled revenue is disclosed net of provision for impairment allowance of Rs. 27.38 (March 31, 2023: Rs. 24.59).

10 Income Taxes

Accounting policy

Tax expense comprises of current tax expense and deferred tax.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the tax jurisdictions where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised either in OCI or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity (or each tax group of entities when applicable) and the same taxation authority.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments.

Estimates and assumptions

At each balance sheet date, the Group assesses whether the realisation of future tax benefits is sufficiently probable to recognise deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted for any of the tax jurisdictions in which the Group operates.

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	214.46	125.89
Deferred tax	11.31	26.47
Income tax expense reported in the consolidated statement of profit or loss	225.77	152.36

Other comprehensive income	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax related to items recognised in other comprehensive income during the year		
Net gain/(loss) on revaluation of cash flow hedge	0.75	(1.58)
Net gain/(loss) on remeasurements of defined benefit plans	(2.11)	(3.57)
Deferred tax credit in other comprehensive income	(1.36)	(5.15)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax (before exceptional items)	793.47	603.06
Share of (loss)/profit of associates	(0.82)	(0.23)
Accounting profit before tax (before share of (loss)/profit of associates)	794.29	603.29
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17% (March 31, 2023: 25.17%)	199.92	151.85
Deferred tax recognised on unabsorbed losses of earlier years	1.14	0.43
Deferred tax on account of utilisation of losses of previous year	(6.23)	(7.10)
Unrecognised tax benefits on tax losses	21.06	6.16
Taxes paid/payable on repatriation of branches/subsidiaries profits	4.18	1.86
Others (includes effect of non-deductible business expenses and tax rate difference).	5.70	(0.84)
Effective tax	225.77	152.36
Income tax expense reported in the consolidated statement of profit or loss	225.77	152.36

Deferred tax

Statement of profit and loss	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax relates to the following:		
Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purposes	49.95	(1.37)
Deferred tax utilised / created on unabsorbed losses of earlier year	(33.84)	30.04
Provision for doubtful debts, advances and liquidated damages	(14.62)	5.25
Employee benefit obligations	(2.22)	5.10
Temporary differences due to accounting treatment as required by Income tax standards	(3.32)	(2.75)
Items allowed on payment basis	(7.63)	4.33
Others*	22.99	(14.13)
Deferred tax expense	11.31	26.47

*Includes impact on account of deferred tax created on unrealised profit elimination from inventory etc.

Balance Sheet	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purposes	(129.19)	(79.24)
Losses available for offsetting against future taxable income	58.77	24.93
Provision for doubtful debts, advances and liquidated damages	130.64	116.02
Employee benefit obligations	14.76	10.43
Temporary differences in accounting treatment as required by Income tax standards	11.09	7.77
Items allowed on payment basis	15.31	7.68
Others*	(5.11)	18.12
Net deferred tax assets	96.27	105.71

*Includes impact on account of deferred tax created on unrealised profit elimination from inventory etc.

Reconciliation of deferred tax assets (net)	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	105.71	127.12
Tax (expense)/income during the year recognised in profit or loss	(11.31)	(26.47)
Tax (expense)/income during the year recognised in OCI	1.36	5.15
Currency translation effect	0.51	(0.09)
Closing balance	96.27	105.71

Break up of gross deferred tax assets/liabilities	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	108.55	108.62
Deferred tax liabilities	(12.28)	(2.91)
Net deferred tax assets	96.27	105.71

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has tax losses of Rs. 238.42 (March 31, 2023: Rs. 182.19) that are available for offsetting against future taxable profits of the companies in which the losses arose. Majority of these losses will expire over a period by end of March 31, 2032. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, in Holding Company, for capital losses that may not be used to offset taxable capital profits elsewhere and also does not meet the requirements of recognition of deferred tax assets on unabsorbed losses as per Ind AS 12 on Income taxes. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by Rs. 52.62 (March 31, 2023: Rs. 44).

As at March 31, 2024, there is deferred tax liability of Rs. 4.18 (March 31, 2023: Rs. 2.91) for taxes that would be payable on the unremitted earnings of the Group's branches/one of subsidiary wherein the Group has determined that undistributed profits of its branches/subsidiary will be distributed in the foreseeable future. The deferred tax liabilities on temporary differences associated with investment in other subsidiaries which have not been recognised, where the Group is able to control the reversal of the temporary difference.

11 Other Assets

(a) Other Non-Current Assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers	0.07	0.07
Capital advance	105.92	147.17
Balances with government authorities	42.42	44.64
Prepayments	16.55	20.65
Total	164.96	212.53

(b) Other Current Assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers	257.15	271.10
Advance to employees	13.16	14.03
Prepayments	30.14	24.23
Balances with government authorities	128.85	150.63
Prepaid employee benefits (note 19)	3.42	9.81
Deposit against litigation (note 30 (d) and 45)	218.45	-
Others (includes interest due on tax refunds, other recoveries of expenses, etc.)	12.41	6.20
Total	663.58	476.00

There were no advances due by directors or officers of the Holding company or any of them severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a member.

12 Inventories

Accounting policy

Inventories are stated at the lower of cost and net realisable value (NRV). Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Write down of inventories are calculated based on an analysis of foreseeable changes in demand, technology, market conditions and ageing of inventories.

	As at March 31, 2024	As at March 31, 2023
Raw materials, components and bought-outs**	425.52	452.56
Work-in-progress	243.45	202.52
Finished goods	75.36	82.37
Stores and spares	11.62	10.30
Traded goods	8.95	7.88
Total	764.90	755.63

**Includes goods in transit Rs. 26.27 (March 31, 2023 : Rs. 25.18)

For the year ended March 31, 2024 Rs. 6.80 (March 31, 2023 : Rs. 11.58) was reversed (net of expense) for inventories carried at net realisable value. These were recognised during the year and included in 'cost of raw materials and components consumed and consumption of stores and spare parts' in the Statement of profit and loss.

For assets pledged as security, refer note 16.

13

(a) Cash and Cash Equivalents

Accounting policy

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts (including balances with EEFC accounts)	233.73	300.09
- in deposits with original maturity of less than three months*	252.48	152.35
Cheques, drafts on hand	0.20	0.07
Cash on hand	0.17	0.31
Total	486.58	452.82

*Short-term deposits are made for varying periods ranging between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash and cash equivalents include Rs. 9.55 (March 31, 2023 : Rs. 8.66) held by irrevocable trust controlled by the Group.

Cash and cash equivalents balance includes of Rs. 13.09 (March 31, 2023 : Rs. 11.44) held as security against import commitments.

(b) Other Bank Balances - At Amortised Cost

	As at March 31, 2024	As at March 31, 2023
Bank deposits with original maturity more than three months and remaining maturity less than twelve months	488.13	678.07
Unpaid dividend account (restricted)	0.61	0.69
Total	488.74	678.76

(c) Changes in Liabilities Arising from Financing Activities

	Borrowings	Unpaid dividend	Lease liabilities
As at April 1, 2022	355.42	0.78	12.29
Cash flow (net)	448.13	-	-
Unrealised foreign exchange (gain)/loss	1.92	-	-
Others [#]	-	(0.09)	7.70
As at March 31, 2023	805.47	0.69	19.99
Cash flow (net)	430.59	-	-
Unrealised foreign exchange (gain)/loss	0.06	-	-
Others [#]	-	(0.08)	1.49
As at March 31, 2024	1,236.12	0.61	21.48

[#]For lease obligation, it includes repayment of lease obligation net off new leases.

14 Share Capital

Accounting policy

Equity shares issued to shareholders are classified as equity. Incremental costs directly attributable to the issue of new equity shares are recognised as a deduction from equity, net of any related income tax effects.

	As at March 31, 2024	As at March 31, 2023
Authorised shares (Nos)		
375,000,000 (March 31, 2023: 375,000,000) equity shares of Rs. 2/- each.	75.00	75.00
	75.00	75.00
Issued, subscribed and fully paid share capital (Nos)		
119,156,300 (March 31, 2023: 119,156,300) equity shares of Rs. 2/- each.	23.83	23.83
Less: 6,535,552 (March 31, 2023: 6,541,440) equity shares held by Trusts of Rs. 2/- each.	(1.31)	(1.31)
Total issued, subscribed and fully paid-up share capital	22.52	22.52

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	No. of shares	Amt
Equity share of Rs. 2 each issued, subscribed and fully paid		
As at April 1, 2022	112,614,860	22.52
Changes during the year	-	-
As at March 31, 2023	112,614,860	22.52
Changes during the year*	5,888	0.00
As at March 31, 2024	112,620,748	22.52

*On account of exercise of options by employees from Trust under ESOP scheme. Amount represents less than a lakh.

(b) Terms/rights attached to equity shares

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

(c) Equity shares held by Holding Company

	As at March 31, 2024	As at March 31, 2023
Holding Company		
RDA Holding Private Limited	12.87	12.87
64,328,500 (March 31, 2023: 64,328,500) equity shares of Rs. 2/- each fully paid		

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

	As at March 31, 2024	As at March 31, 2023
RDA Holding Private Limited, India		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
ARA Trusteeship Company Private Limited, India		
%	7.99	7.99
No. of shares	9,520,805	9,520,805
Nalanda India Equity Fund Ltd.		
%	6.86	6.86
No. of shares	8,176,668	8,176,668
Kotak Mahindra Mutual Fund		
%	6.37	6.98
No. of shares	7,586,103	8,322,863

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownerships of shares.

(e) Details of equity shares held by promoters in the Holding Company

	As at March 31, 2024	As at March 31, 2023
RDA Holding Private Limited, India		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
% of change during the year	-	-
ARA Trusteeship Company Private Limited, India		
%	7.99	7.99
No. of shares	9,520,805	9,520,805
% of change during the year	-	-
Mr. Pheroze Pudumjee		
%	*	*
No. of shares	6,000	6,000
% of change during the year	-	-

*represents less than 0.01%.

- (f) There were no buy back of shares/issue of shares for consideration other than cash during the period of five years immediately preceding the reporting date.

15

(a) Other Equity

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Capital redemption reserve	60.34	60.34
Securities premium		
Opening balance	57.28	57.28
Add: Exercise of share options	1.43	-
	58.71	57.28
Capital reserve	95.12	95.12
General reserve	435.31	435.31
Share based payment reserve		
Opening balance	2.52	-
Add: Compensation for options granted during the year	4.88	2.52
Less: Exercise of share options	(1.43)	-
Closing balance	5.97	2.52
Retained earnings		
Opening balance	3,141.57	2,779.32
Add: Profit for the year	645.28	450.29
Add: Adjustments on account of acquisition of non-controlling interest	43.05	24.61
Less: Dividends paid	(112.67)	(102.04)
Movement during the year	575.66	372.86

	As at March 31, 2024	As at March 31, 2023
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement (loss)/gain on defined benefit plans, net of tax Rs. 2.11 (March 31, 2023 : Rs. 3.57)	(6.59)	(10.58)
Share of OCI of associates (Re-measurement of defined benefit plans (net of tax))	-	(0.03)
Net surplus in the Statement of profit and loss	3,710.64	3,141.57
Total Reserves and Surplus	4,366.09	3,792.14
Other reserves		
Cash flow hedge reserve		
Opening balance	(4.08)	0.98
Add: Movement during the year (net)	3.00	(6.64)
Less: Tax on above movement	(0.75)	1.58
Closing balance	(1.83)	(4.08)
Foreign currency translation reserve		
Opening balance	57.49	41.62
Add: Movement during the year (net)	(4.47)	15.87
Closing balance	53.02	57.49
Total	4,417.28	3,845.55

Nature and purpose of reserves

Capital redemption reserve

Pertains to reserve created towards redemption of debentures and can be utilised in accordance with the provisions of the Companies Act, 2013 ("Act").

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

Capital reserve

Opening balance pertains to reserves arising on amalgamations in the past and step up acquisition of joint venture. This reserve is required to be maintained as per statute and cannot be distributed to the shareholders.

General reserve

Represents amounts transferred from retained earning in earlier years as per the requirements of the erstwhile Companies Act 1956, of India and other countries' corporate laws.

Cash flow hedge reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedge instruments related to hedged transactions that have not yet occurred.

Foreign currency translation reserve

The foreign currency translation reserve pertains to exchange differences on the translation of subsidiaries and branches having a functional currency other than Indian Rupees.

Share based payment reserve

The Holding Company has established various equity-settled share based payment plans for certain categories of employees of the Group. Refer note 40 for further details.

(b) Distribution Made and Proposed

Dividend

Accounting policy

Dividend to equity shareholders is recognised as a liability in the period in which the dividends are approved by the equity shareholders. Interim dividends that are declared by the Board of Directors without the need for equity shareholders' approvals are recognised as a liability and deducted from shareholders' equity in the year in which the dividends are declared by the Board of directors.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash dividend on equity shares declared and paid by Holding company:		
Final dividend for the year ended 2022-2023: Rs. 10 per share (2021-2022: Rs. 9 per share) (gross of consolidation adjustments)	119.16	107.24
	119.16	107.24
Proposed dividend of Holding Company on equity shares:		
Proposed dividend for the year ended 2023-2024: Rs. 12 per share (2022-2023: Rs. 10 per share) (gross of consolidation adjustments)	142.99	119.16
	142.99	119.16

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at the reporting date.

16 Borrowings - At Amortised Cost

(a) Non-current Borrowings

	As at March 31, 2024	As at March 31, 2023
Term loans (from banks)		
Secured loans - Foreign currency	12.20	9.50
Indian currency	830.56	437.73
Total non-current borrowings	842.76	447.23
Less: amount disclosed under the head "Current borrowings" (note 16 (b))		
- Current maturities of term Loans	(53.28)	(24.71)
Total	789.48	422.52

(b) Current Borrowings

	As at March 31, 2024	As at March 31, 2023
Loans (from banks)		
Secured loans - Packing credit	125.00	10.00
- Short term borrowings	19.83	5.38
Unsecured loans - Packing credit	268.36	267.00
- From bank	-	80.93
Current maturities of long-term borrowings	53.28	24.71
Total	466.47	388.02

The details related to terms of borrowings of the Group are as follows:

For March 31, 2024:	Amount of loan	Repayment timelines	Tenure of loan	Rate of interest
Non-current Borrowings:				
Foreign currency borrowings	12.20	Quarterly	20 years	4.66% p.a.
Indian rupee borrowings	830.56	Monthly/Quarterly	7-20 years	8.15%-9.40% p.a.

Current Borrowings:				
Foreign currency borrowings - Bank overdraft	19.77	On demand	Less than 1 year	5.14% p.a. - 9.14% p.a.
Indian rupee borrowings - Bank overdraft	0.06	On demand	Less than 1 year	8.58% p.a.
Indian rupee borrowings				
- Packing Credit	393.36	On maturity	180 to 365 days	5.50% - 5.75% p.a.

For March 31, 2023:	Amount of loan	Repayment timelines	Tenure of loan	Rate of interest
Non-current Borrowings:				
Foreign currency borrowings	9.50	On maturity	4-7 years	3.72%- 5.08% p.a.
Indian rupee borrowings	437.73	Monthly/Quarterly	7-20 years	8.85%-10.14% p.a.

Current Borrowings:				
Foreign currency borrowings	0.66	On maturity	Less than 1 year	4.09% p.a.
Foreign currency borrowings - Bank overdraft	5.07	On demand	Less than 1 year	4.09% p.a.
Indian rupee borrowings				
- Packing Credit	277.00	On maturity	90 to 365 days	5.25% - 5.85% p.a.
- From bank	80.58	On maturity	Less than 1 year	8.10% p.a.

As at March 31, 2024, one of the subsidiary has not complied with some of the covenants under loan agreements in respect of non current borrowings of Rs. 40.37. The subsidiary has received the confirmation from Bank that the said borrowing will not be recalled as a consequence of such breaches.

Assets pledged as security

The carrying amounts for assets pledged as security for current and non-current borrowings (other than packing credit and bank overdraft) are:

	As at March 31, 2024	As at March 31, 2023
Current		
Financial assets		
Cash and cash equivalents	9.66	98.82
Trade receivables	20.23	1.06
Finance lease receivables	-	7.26
Other current assets	35.27	1.53
Non-financial assets		
Inventories (work-in-progress)	106.52	81.58
Other current assets	0.83	0.27
Total current assets pledged as security	172.51	190.52
Non-current		
Financial assets		
Finance lease receivables	125.48	60.47
Other assets	1.83	0.82

	As at March 31, 2024	As at March 31, 2023
Non-financial assets		
Property, plant and equipment	780.14	105.61
Capital work-in-progress - Plant and machinery	164.88	381.27
Right of use asset - Leasehold land	12.57	12.92
Other assets	4.28	0.02
Total non-currents assets pledged as security	1,089.18	561.11
Total assets pledged as security	1,261.69	751.63

Bank overdraft are secured by hypothecation of present and future stock of inventories, book debts, other moveable assets, letter of comfort and corporate guarantee given by Holding Company.

Short term borrowings (foreign currency loans from banks) amounting to Rs. 19.77 (March 31, 2023: Rs. 5.73) are repayable on a fixed date (March 31, 2023: quarterly). Letter of comfort from Holding Company has been provided as collateral for these borrowings. The loan carry an annual interest rate of 5.14% - 9.14% p.a. (March 31, 2023 : 4.09% p.a.).

Packing credit (secured and unsecured) carries an interest rate of 5.5% to 5.75% p.a. (March 31, 2023: 5.25% to 5.85% p.a.) due for repayment within 90 to 360 days from date of disbursement from the invoice date. These loans were secured by hypothecation of present and future stock of all inventories, stores and spares not related to plant and equipment, book debts and other moveable assets in March 31, 2024.

17 Trade Payables - At Amortised Cost

(a) Non-Current Trade Payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related parties (note 33)	-	-
ii) Others	48.15	30.75
Total	48.15	30.75

The ageing of non-current trade payables which are due for payment:

Description	Not Due	Outstanding for the following period from due date of payments				Total
		Less than a year	1-2 years	2-3 years	More than 3 years	
(i) Micro enterprises and small enterprises	March 31, 2024	-	-	-	-	-
	March 31, 2023	-	-	-	-	-
(ii) Other than micro enterprises and small enterprises	March 31, 2024	48.15	-	-	-	48.15
	March 31, 2023	30.75	-	-	-	30.75
(iii) Disputed dues - Micro enterprises and small enterprises	March 31, 2024	-	-	-	-	-
	March 31, 2023	-	-	-	-	-
(iv) Disputed dues- Others	March 31, 2024	-	-	-	-	-
	March 31, 2023	-	-	-	-	-
Total	March 31, 2024	48.15	-	-	-	48.15
	March 31, 2023	30.75	-	-	-	30.75

(b) Current Trade Payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	616.53	518.02
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related parties (note 33)	0.86	1.56
ii) Others	915.50	978.28
Total	1,532.89	1,497.86

For terms and conditions with related parties, refer note 33.

Trade payables are non-interest bearing and are generally on terms of 7 to 90 days.

The ageing of current trade payables which are due for payment:

Description	Not Due	Outstanding for the following period from due date of payments				Total	
		Less than a year	1-2 years	2-3 years	More than 3 years		
(i) Micro enterprises and small enterprises	March 31, 2024	540.76	58.10	7.37	3.75	5.82	615.80
	March 31, 2023	431.15	77.18	3.95	0.94	4.51	517.73
(ii) Other than micro enterprises and small enterprises	March 31, 2024	448.93	86.28	35.84	7.16	17.98	596.19
	March 31, 2023	382.91	241.39	23.40	12.45	26.18	686.33
(iii) Disputed dues- Micro enterprises and small enterprises	March 31, 2024	-	-	-	-	0.73	0.73
	March 31, 2023	0.03	-	-	-	0.26	0.29
(iv) Disputed dues- Others	March 31, 2024	-	-	-	0.27	0.24	0.51
	March 31, 2023	0.09	-	0.27	-	0.24	0.60
Sub-total	March 31, 2024	989.69	144.38	43.21	11.18	24.77	1,213.23
	March 31, 2023	814.18	318.57	27.62	13.39	31.19	1,204.95
Unbilled trade payable (includes year end accruals)	March 31, 2024						319.66
	March 31, 2023						292.91
Total	March 31, 2024						1,532.89
	March 31, 2023						1,497.86

18 Financial Liabilities

Accounting policy

Redemption liability

Liability for put option issued to non-controlling interests, to be settled in cash by the Group, which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non- controlling interests subject to put option is derecognised and the difference between the amount derecognised and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction.

(a) Other Non-Current Liabilities

	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Trade deposits	20.58	15.51
Liability towards employee separation scheme [#]	0.22	0.75
Redemption liability [*]	30.24	11.98
Total	51.04	28.24

^{*}One of the subsidiary, First Energy Private Limited (FEPL) has accounted for Special Purpose Vehicles (SPVs) using the acquisition method. There are other stakeholders in these SPVs owning upto 27% stake in these entities. A redemption liability of Rs. 30.24 (March 31, 2023: Rs. 11.98) has been accounted for non- controlling interest portion.

(b) Other Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	1.91	5.66
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	2.83	3.92
At amortised cost		
Employee related payables	136.68	103.26
Payables for Property, plant and equipment and intangible assets	31.82	25.13
Book overdraft	-	0.02
Liability towards employee separation scheme [#]	1.95	1.64
Unpaid dividend	0.61	0.69
Other payables [*]	13.64	4.73
Total	189.44	145.05

^{*}includes dealer deposits, security deposits, etc.

[#]The Group as on October 05, 2020 announced a Voluntary Retirement Scheme (VRS) for its eligible employees. The outstanding amount of scheme benefits payable to employees as on March 31, 2024 is Rs. 2.17 (March 31, 2023 : Rs. 2.39).

19 Provisions

Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually. For EPC, warranty provision is recorded basis significant progress.

It is expected that this expenditure will be incurred over the contracted warranty period ranging up to 2 years. If warranty claim costs vary by 10% from management's estimate, the warranty provisions would be an estimated Rs. 15.62 higher or lower (March 31, 2023 : Rs. 13.87).

Provision for onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

A provision for expected loss on contracts with customers is recognised when it is probable that the contracts costs will exceed total contract revenue. For all other contracts, provision is made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits. The timing of cash outflows in respect of such provision is over the contract period.

Provision for litigation

Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

Decommissioning liability

The Group records a provision for decommissioning costs of its manufacturing facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The unwinding of the discount is expensed as incurred and recognised in the Statement of profit and loss as finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

A provision has been recognised for decommissioning costs associated with the properties taken on lease by the Group. The Group is committed to restore the sites on conclusion of the manufacturing activities. The timing of cash outflows in respect of such provision cannot be reasonably determined.

Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group and some of its Indian subsidiaries operate a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of profit and loss in subsequent periods.

Past service costs are recognised in the Statement of profit and loss on the earlier of:

- (a) The date of the plan amendment or curtailment; and
- (b) The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Long term incentives

The provision for long term incentives is recognised considering the estimated payout expected by the Group at present value using projected unit credit method. These include the determination of the discount rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the long term incentives.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- (a) When the Group can no longer withdraw the offer of these benefits; and
- (b) When the entity recognises cost for a restructuring that is within the scope of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" and involves payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Estimates and assumptions

- **Provision for onerous contracts:** The Group provides for future losses on EPC contracts where it is considered highly probable that the contract costs are likely to exceed revenues in future years. Estimating these future losses involves a number of assumptions about the achievement of contract performance targets and the likely levels of future cost escalation over time.

- **Warranty provision:** The Group offers warranty for its various products. Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of warranty costs. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives. Warranty provisions are discounted using a pre-tax discount rate which reflects current market assessments of time value of money and risks specific to the liability.
- **Defined benefit plan - Gratuity:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

(a) Non-Current Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity	0.77	0.41
Other long-term employee benefits	7.55	4.28
	8.32	4.69
Other provisions		
Provision for warranties	20.02	20.84
Provision for decommissioning liability	14.09	12.87
	34.11	33.71
Total	42.43	38.40

(b) Current Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity	5.79	0.96
Provision for leave encashment	83.05	71.19
	88.84	72.15
Other provisions		
Provision for onerous contracts	29.63	13.75
Provision for warranties	136.22	117.81
Provision for litigation	50.63	-
	216.48	131.56
Total	305.32	203.71

Movement in provisions

For the year ended March 31, 2024

	Provision for Litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
As at April 1, 2023	-	13.75	138.65	12.87
Additional provision recognised	50.63	21.31	66.18	0.10
Unused amounts reversed	-	(0.74)	(39.04)	-
Unwinding of discount	-	-	8.31	1.12
Utilised during the year	-	(4.69)	(17.86)	-
As at March 31, 2024	50.63	29.63	156.24	14.09
Breakup of provisions:				
Current	50.63	29.63	136.22	-
Non-current	-	-	20.02	14.09
Total	50.63	29.63	156.24	14.09

For the year ended March 31, 2023

	Provision for Litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
As at April 1, 2022	-	17.33	143.20	11.71
Additional provision recognised	-	7.12	38.74	0.12
Unused amounts reversed	-	(4.44)	(40.75)	-
Unwinding of discount	-	-	8.99	1.04
Utilised during the year	-	(6.26)	(11.53)	-
As at March 31, 2023	-	13.75	138.65	12.87
Breakup of provisions:				
Current	-	13.75	117.81	-
Non-current	-	-	20.84	12.87
Total	-	13.75	138.65	12.87

(c) Gratuity

The Holding Company and its Indian subsidiaries operate a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure at 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy. The fund has formed a trust and it is governed by the Board of Trustees. Overseas subsidiaries do not operate any defined benefit plans for employees.

The fund is subject to risks such as asset volatility, changes in asset yields and asset liability mismatch risk. In managing the plan assets, Board of Trustees reviews and manages these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset-liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk-averse markets). The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

	As at March 31, 2024	As at March 31, 2023
Current asset	3.42	9.81
Current liability	(5.79)	(0.96)
Non-current liability	(0.77)	(0.41)
Net asset/(liability)	(3.14)	8.44

I Changes in the net benefit obligation and fair value of plan assets are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2022	102.34	(120.76)	(18.42)
Current service cost	11.69	-	11.69
Interest expense/(income)	6.61	(8.39)	(1.78)
Total amount recognised in (Profit) or Loss	18.30	(8.39)	9.91
Experience adjustments	13.52	-	13.52
Return on plan assets (income)	-	(0.06)	(0.06)
Actuarial loss from change in demographic assumptions	(0.01)	-	(0.01)
Actuarial loss from change in financial assumptions	0.72	(0.01)	0.71
Total amount recognised in Other Comprehensive Income	14.23	(0.07)	14.16
Employer contributions	-	(14.09)	(14.09)
Benefits paid	(10.87)	10.87	-
March 31, 2023	124.00	(132.44)	(8.44)
Current service cost	13.55	(6.23)	7.32
Interest expense/(income)	8.72	(3.28)	5.44
Total amount recognised in (Profit) or Loss	22.27	(9.51)	12.76
Experience adjustments	3.43	0.17	3.60
Return on plan assets (income)	-	0.60	0.60
Actuarial loss from change in demographic assumptions	0.01	-	0.01
Actuarial loss from change in financial assumptions	4.65	(0.10)	4.55
Total amount recognised in Other Comprehensive Income	8.09	0.67	8.76
Employer contributions	-	(7.10)	(7.10)
Benefits paid	(12.86)	10.02	(2.84)
March 31, 2024	141.50	(138.36)	3.14

II The net liability disclosed above relates to funded plans which are as follows:

	As at March 31, 2024	As at March 31, 2023
Present value of funded obligation	141.50	124.00
Fair value of plan assets	(138.36)	(132.44)
Surplus/(deficit) of funded plan	3.14	(8.44)

III Significant assumptions

The principal actuarial assumptions were as follows:

	As at March 31, 2024	As at March 31, 2023
Discount rate	7.00% to 7.40%	7.15% to 7.40%
Salary growth rate	7 % to 10 %	7 % to 9 %
Normal retirement age	60 years	60 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Employee turnover	5% to 12%	5% to 12%

IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumptions	As at March 31, 2024		As at March 31, 2023	
	Impact of 1% increase	Impact of 1% decrease	Impact of 1% increase	Impact of 1% decrease
Discount rate	Decrease by 7.19	Increase by 7.99	Decrease by 6.93	Increase by 6.66
Future salary increase	Increase by 6.64	Decrease by 6.08	Increase by 5.49	Decrease by 5.98
Attrition rate	Increase by 0.29	Decrease by 0.10	Increase by 0.17	Decrease by 0.16

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

The following are the expected cash outflows to the defined benefit plan in future years:

	As at March 31, 2024	As at March 31, 2023
Within next 12 months	25.10	20.83
Between 2-5 years	79.06	64.66
Next 5 years	106.32	89.26

The average duration of the defined benefit plan obligation at the end of the reporting period is 9.02 years (March 31, 2023: 8.17 years)

V The major categories of plan assets are as follows:

	As at March 31, 2024	As at March 31, 2023
Investments with insurer (LIC of India)	100.00%	100.00%

(d) Other Long-Term Employee Benefits

One of the subsidiary offers cash bonuses to certain managerial employees the amount of which is based on performance of a subsidiary in a specific year. The amount of provision recognised for the long term employee benefit is Rs. 7.55 (March 31, 2023: Rs. 4.28).

20 Other Liabilities

Accounting policy

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group satisfies the performance obligation. Contract liabilities are recorded in balance sheet as unearned revenue and customer advances as the case may be.

(a) Other Non-Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Contract liabilities		
Unearned revenue* (Contract liabilities)	13.07	8.61
Advance lease rentals	15.00	13.03
Total	28.07	21.64

*Pertains to revenue remaining unearned for the portion attributable to maintenance of leased equipment constructed at customer premises under finance lease arrangements.

(b) Other Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Contract liabilities		
Unearned revenue (Contract liabilities)	843.03	756.15
Customer advances	1,260.56	1,286.93
Advance lease rentals	3.11	7.77
Other advances#	-	14.20
Statutory dues and other liabilities**	78.41	79.81
Total	2,185.11	2,144.86

**includes tax deducted at source, GST, ESIC, provident fund etc.

#consists of advance received against sale of property, plant and equipment etc.

21 Revenue from Operations

Accounting policy

Revenue from contracts with customers: Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The Group collects goods and services tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

The Group has following streams of revenue:

- Revenue from Engineering, Procurement and Construction contracts**

Engineering, Procurement and Construction (EPC) contracts are contracts (or a group of contracts secured together) specifically negotiated for the construction of an asset with customer which refers to any project for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods. The Group identifies distinct performance obligations in each contract. For most of the project contracts, the customer contracts with the Group to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

The Group may promise to provide distinct goods or services within a contract, in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. The Group uses the expected cost plus a margin approach to estimate the standalone selling price of each performance obligation in case of contracts with more than one distinct performance obligations.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognised over a period of time if any of the following criteria is met:

- (a) The customer simultaneously consumes the benefits as the Group performs; or
- (b) The customer controls the work-in-progress; or
- (c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date.

The Group recognises revenue over time as it performs because of continuous transfer of control to the customers. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customers typically control the work in process as evidenced either by contractual termination clauses or by the rights of the Group to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use.

The Group uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred.

The Group estimates variable consideration amount which it expects to be entitled under the contract and includes it in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur and when the uncertainty associated with it is subsequently resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Costs associated with bidding for contracts are charged to the Statement of profit and loss when they are incurred. Costs that relate directly to a contract and are incurred in securing the contract are included as part of the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

Contract modification, when approved by both the parties to the contract, are considered as modification, if it creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are not distinct from the existing contract due to the significant integration service provided under the contract prior to modifications and are therefore, accounted for as part of the existing contract. The effect of a contract modification is recognised as an adjustment to revenue on a cumulative catch-up basis.

When it becomes probable that the total contract costs will exceed the total contract revenue, the Group recognises the expected losses from onerous contract as an expense immediately.

Penalties for any delay or improper execution of a contract are recognised as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

- **Revenue from sale of goods**

If the criteria for revenue under over-a-period of time as mentioned above are not met, the Group recognises revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The Group provides for warranty provision for general repairs up to 18 - 24 months on its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. The Group does not provide any extended warranties.

- **Revenue from sale of services**

Revenue in respect of operation and maintenance contract, awarded on a standalone basis or included in long term contracts and identified as a separate performance obligation, is recognised on a time proportion basis under the contracts.

- **Revenue where the Group as a Lessor**

Revenue from sale of utilities is recognised at the point in time when control of the asset is transferred to the customer, on supply of the utilities. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

- **Revenue from sale of power**

Revenue from sale of power is recognised at transaction price and over time of each unit of electricity delivered at the contracted rate. The transaction price is adjusted for significant financing component, if any and the adjustment is accounted as finance cost.

Estimates and assumptions

EPC contracts

- **Provisions for liquidated damages claims (LDs):** The Group provides for LD claims to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This requires an estimate of the amount of LDs payable under a claim which involves a number of management judgments and assumptions regarding the amounts to be recognised;
- **Project cost to complete estimates:** At each reporting date, the Group is required to estimate costs to complete on fixed-price contracts. Estimating costs to complete on such contracts requires the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate will impact revenues, cost of sales, work-in-progress, billings in excess of costs, estimated earnings and accrued contract expenses;
- **Recognition of contract variations:** The Group recognises revenues and margins from contract variations where it is considered probable that they will be awarded by the customer and this requires management to assess the likelihood of such an award being made by reference to customer communications and other forms of documentary evidence.

Judgments

A significant portion of the Group's business relates to EPC contracts which is accounted using cost-based input method, recognising revenue as the performance on the contract progresses. This requires management to make judgement with respect to identifying contracts for which revenue need to be recognised over a period of time, depending upon when the customer consumes the benefit, when the control is passed to customer, whether the asset created has an alternative use and whether the Group has right to payment for performance completed till date, either contractually or legally. The input method requires management to make significant judgments of the extent of progress towards completion including accounting of multiple contracts which need to be combined and considered as a single contract.

(a) Revenue from Contract with Customers

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from projects and products	8,174.98	7,072.03
Revenue from services	1,062.26	961.87
Total revenue from contracts with customers (a)	9,237.24	8,033.90

(b) Other Operating Revenue

	For the year ended March 31, 2024	For the year ended March 31, 2023
Export incentives	20.46	23.73
Sale of scrap	26.20	31.25
Interest income from finance lease	20.75	18.13
Commission income	3.08	3.19
Exchange fluctuation gain/(loss) (net)*	9.40	(25.83)
Royalty income	2.92	2.81
Miscellaneous income	3.41	2.63
Total other operating revenue (b)	86.22	55.91
Total revenue from operations (a+b)	9,323.46	8,089.81

*Includes mark to market loss on forward contracts not subjected to hedge accounting Rs. 0.37 (March 31, 2023: Rs. 1.63).

(c) Disclosure Pursuant to Ind AS 115: Revenue from Contract with Customers

i) By category of contracts

	For the year ended March 31, 2024	For the year ended March 31, 2023
Over a period of time basis	5,968.15	4,981.94
At a point-in-time basis	3,269.09	3,051.96
Total revenue from contracts with customers	9,237.24	8,033.90

Revenue by segment (refer note 34)

	For the year ended March 31, 2024				
	Industrial Products	Industrial Infra	Green Solutions	Chemical	Total
Revenue from contracts with customers					
External revenue	4,025.25	4,428.34	484.22	656.80	9,594.61
Inter segment	(334.31)	(8.05)	(7.29)	(7.72)	(357.37)
Total revenue from contracts with customers	3,690.94	4,420.29	476.93	649.08	9,237.24
Other operating revenue	29.96	26.87	22.84	6.55	86.22
Total revenue from operations	3,720.90	4,447.16	499.77	655.63	9,323.46

	For the year ended March 31, 2023				
	Industrial Products	Industrial Infra	Green Solutions	Chemical	Total
Revenue from contracts with customers					
External revenue	3,317.00	3,920.38	343.63	664.15	8,245.16
Inter segment	(182.84)	(20.54)	(0.88)	(7.00)	(211.26)
Total revenue from contracts with customers	3,134.16	3,899.84	342.75	657.15	8,033.90
Other operating revenue	20.53	7.62	19.08	8.68	55.91
Total revenue from operations	3,154.69	3,907.46	361.83	665.83	8,089.81

ii) Contract balances

The following table provides information about contract balances from contracts with customers as at the reporting date:

	As at March 31, 2024	As at March 31, 2023
Trade receivables (note 7)	2,267.06	1,876.56
Unbilled revenue (Contract asset) (note 9(a) and 9(b))	502.29	495.13
Unearned revenue (Contract liability) (note 20)	856.10	764.76
Customer advances (Contract liability) (note 20)	1,260.56	1,286.93

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date from projects and customised contracts. Contract assets are transferred to Trade receivables on completion of milestones and related invoicing.

The Contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised, with no impact on the Group's cash positions on specific projects.

iii) Revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year

	As at March 31, 2024	As at March 31, 2023
Unearned revenue	578.14	339.70
Customer advance	937.20	892.58

iv) Changes in unbilled revenue and unearned revenue for the year

The explanation of the significant changes in the contract asset and the contract liability balances during the year presented in the table below:

	As at March 31, 2024	As at March 31, 2024
Opening unbilled revenue (note 9(a) and 9(b))	495.13	
Opening unearned revenue (note 20)	764.76	(269.63)
- Transfer of contract assets to receivable from opening unbilled revenue	(443.73)	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	578.14	
- Transfer of contract assets to receivable	(5,619.47)	
- Increase in revenue as a result of changes in the measure of progress	5,390.01	
- Others*	10.87	(84.18)
Closing unbilled revenue (note 9(a) and 9(b))	502.29	
Closing unearned revenue (note 20)	856.10	(353.81)

*includes adjustments on account of onerous contracts, impairment allowance on contract assets for the year etc.

	As at March 31, 2023	As at March 31, 2023
Opening unbilled revenue (note 9(a) and 9(b))	394.87	
Opening unearned revenue (note 20)	446.29	(51.42)
- Transfer of contract assets to receivable from opening unbilled revenue	(358.90)	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	339.70	
- Transfer of contract assets to receivable	(4,843.73)	
- Increase in revenue as a result of changes in the measure of progress	4,642.24	
- Others*	2.48	(218.21)
Closing unbilled revenue (note 9(a) and 9(b))	495.13	
Closing unearned revenue (note 20)	764.76	(269.63)

*includes adjustments on account of onerous contracts, impairment allowance on contract assets for the year etc.

v) Performance obligations

Performance obligation in a project or a group of projects which are contracted at or near same time with the same or related parties and negotiated simultaneously, are combined for the purpose of evaluation. The Group has estimated that multiple commitments pertaining to engineering, procurement and commissioning of such projects is a single performance obligation which is spread over different accounting periods.

Performance obligation for products are evaluated on standalone basis, recognised at a point in time. Generally, performance obligations for such contracts have an original expected duration of one year or less.

There are no major contracts with customers which have significant financing component included within them and therefore there is no difference between the timing of satisfaction of performance obligation vis a vis the timing of the payment.

Remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

The Group applies practical expedient included in para 121 of Ind AS 115 and does not disclose information about its remaining performance obligations for contracts that have an original expected duration of one year or less.

	As at March 31, 2024	As at March 31, 2023
Amount of revenue yet to be recognised for contracts in progress	5,175.80	5,979.21

The Group expects that a significant portion of the remaining performance obligation will be completed in the next 1 to 2 years.

The Group has disclosed remaining performance obligation expected to be fulfilled in next 12 months where the contracts with customers for supply of utilities/operation and maintenance services are for a longer period.

One of the subsidiary who is involved in solar/ wind power generation has applied practical expedient included in para 121 of Ind AS 115 and not disclosed information about its remaining performance obligation.

vi) Reconciliation between revenue recognised in Statement of profit and loss and contract price

There is no significant variation between revenue recognised in Statement of profit and loss and contract price except price variation claims, which are considered to be part of contract price.

22 Other Income

Accounting policy

(i) Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of profit and loss.

(ii) Dividend

Dividend is recognised when the Group's right to receive the payment is established.

(iii) Rental income

Rental income from operating leases (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income from financial assets at amortised cost		
Bank and other deposits	87.16	69.55
Other interest income	4.05	1.75
Liabilities no longer required written back	16.07	16.83
Fair value gain on financial instruments at fair value through profit and loss (net)	83.07	44.85
Miscellaneous income^^	42.22	27.20
Total	232.57	160.18

^^Includes rent income of Rs. 0.92 (March 31, 2023: Rs. 0.07) refer note 31(i)(b).

23 Cost of Raw Material and Components Consumed

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year	452.56	395.93
Add: Purchases	5,064.52	4,499.33
	5,517.08	4,895.26
Inventories at the end of the year	(425.52)	(452.56)
Total	5,091.56	4,442.70

24 (Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	202.52	226.06
Finished goods	82.37	90.11
Traded goods	7.88	5.85
	292.77	322.02
Less: inventories at the end of the year		
Work-in-progress	243.45	202.52
Finished goods	75.36	82.37
Traded goods	8.95	7.88
	327.76	292.77
Total	(34.99)	29.25

25 Employee Benefit Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages*	1,027.04	851.84
Contribution to provident and other funds	57.95	48.42
Gratuity expense (note 19)	12.76	9.91
Share based payment expenses	4.88	2.52
Staff welfare expenses	56.30	47.08
	1,158.93	959.77
Less: capitalised during the year (note 4(g))	(10.64)	(4.47)
Total	1,148.29	955.30

*Salaries and wages includes director sitting fees

26 Finance Costs

Accounting policy

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Judgement

Significant management judgement is involved in assessing whether the asset (solar/wind projects/ lease assets) is a qualifying asset using the factors such as period of time to get ready, nature of activities necessary and industry practice. The construction of solar/wind projects/ leased assets involves a period ranging from 6 months to 18 months.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense*	82.09	25.57
Unwinding of discount	12.26	11.95
Finance cost on redemption liability	1.56	0.43
	95.91	37.95
Less: capitalised during the year (note 4(g))	(8.32)	(0.36)
Total	87.59	37.59

*Includes accretion of interest on lease obligation Rs. 1.00 (March 31, 2023: Rs. 0.58) (refer note 31(ii)).

27 Other Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spare parts	113.40	101.17
Power and fuel	57.28	61.96
Freight and forwarding charges (net of recovery)	187.32	207.22
Site expenses and contract labour charges	1,090.29	936.48
Drawing, design and technical service charges	59.38	68.29
Sales commission	29.25	28.66
Advertisement and sales promotion	24.26	23.23
Rent (Refer note 31(ii))	26.05	23.05
Rates and taxes	17.01	19.88
Insurance	18.85	16.10
Repairs and maintenance:		
Plant and machinery	28.71	20.99
Buildings	9.01	5.79
Others	65.15	65.04
Travelling and conveyance	110.18	93.49
Legal and professional fees	154.73	125.95
Provision for advance (net)	(1.63)	2.92
Provision for impairment allowance of financial assets (net)	59.11	37.76
Warranty expenses (net)	50.20	14.59
Loss on sale/discard of assets (net)	0.88	3.79
CSR expenditure	8.15	6.86
Miscellaneous expenses (includes printing, communication, security expense, etc.)	52.24	50.36
	2,159.82	1,913.58
Less: capitalised during the year (note 4(g))	(1.60)	(1.31)
Total	2,158.22	1,912.27

28 Earnings Per Share

Accounting policy

The Group presents the basic and diluted EPS data for its equity shares.

- (i) **Basic EPS** is computed by dividing the net profit for the year attributable to the equity shareholders of the Parent by the weighted average number of equity shares outstanding during the year.
- (ii) **Diluted EPS** is computed by adjusting the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares considered for deriving basic EPS for the effects of all the equity shares that could have been issued upon conversion of all dilutive potential equity shares (which includes the various stock options granted to employees).

The following table reflects the income and earnings per share data used in the basic and diluted EPS computation:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit after tax attributable to the equity holders (a)	645.28	450.29
Weighted average number of shares considered for calculating basic EPS (b)	112,620,748	112,614,860
Weighted average number of shares considered for calculating diluted EPS (c)*	112,657,114	112,637,493
Nominal value per share (Rs.)	2.00	2.00
Basic earnings per share (d) = (a)/(b)	57.30	39.98
Diluted earnings per share (e) = (a)/(c)	57.28	39.98

*Dilution include share options granted under ESOP Scheme.

29 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve and surplus in equity is shown below:

For the year ended March 31, 2024	Cash flow hedge reserve	Foreign Currency translation reserve	Retained earnings	Total
Foreign currency translation differences	-	(4.47)	-	(4.47)
Foreign exchange forward contracts	2.93	-	-	2.93
Reclassified to statement of profit or loss (Net)	(0.68)	-	-	(0.68)
Re-measurement gains on defined benefit plans	-	-	(6.65)	(6.65)
Total	2.25	(4.47)	(6.65)	(8.87)

For the year ended March 31, 2023	Cash flow hedge reserve	Foreign Currency translation reserve	Retained earnings	Total
Foreign currency translation differences	-	15.87	-	15.87
Foreign exchange forward contracts	(5.27)	-	-	(5.27)
Reclassified to statement of profit or loss (Net)	0.21	-	-	0.21
Re-measurement gains on defined benefit plans	-	-	(10.62)	(10.62)
Total	(5.06)	15.87	(10.62)	0.19

30 Contingent Liabilities and Commitments

A Contingent Liabilities

Accounting policy

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future

events not wholly within the control of the Group or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Judgements

Tax and legal contingencies

The Group has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable losses including the estimate of legal expense to resolve such matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

a) Details of contingent liabilities

During earlier years, the Group had received demand notices from the Excise department covering period from July 2000 till June 2017 for Rs. 1,385.47. These demands are of excise duty payable on inclusion of the cost of bought out items in the assessable value of certain products manufactured, though such duty paid bought out items are directly dispatched by the manufacturers thereof to the ultimate customer, without being received in the factories. The Group had filed an appeal against the same before CESTAT, Mumbai which was allowed in favour of the Group during FY 22-23.

During the year, The Commissioner of CGST & CE, Pune – I has filed an appeal before the Hon'ble Supreme Court of India challenging CESTAT order. The same is pending for admission. Based on an independent legal advice, the Group is confident of the issue being ultimately decided in its favour and accordingly, no provision has been considered necessary.

b) Taxes**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Excise, Customs Duty and Service tax	13.32	22.28
Goods and Service tax	17.35	-
Sales tax [#]	31.36	32.08
Income tax demands disputed in appellate proceedings ^{##}	129.42	208.51
References/appeals preferred by the Income tax department in respect of which, should the ultimate decision be unfavourable to the Group	16.36	16.36
Others	0.22	0.12

*Excluding interest and penalty thereon.

**The above excludes the effects of similar disallowances, if any, for any subsequent period that are pending for assessments.

[#]Includes Sales tax and Income tax demands disputed in appellate proceedings pertaining to Thermax Senegal S.A.R.L, a subsidiary which is liquidated, of Rs. 9.64 and Rs. 21.20 (March 31, 2023 of Rs. 9.64 and Rs. 21.20) respectively which are still open with the department despite the liquidation of the subsidiary.

[^]Includes income tax disputed demand, the Holding Company has received favourable ITAT orders in earlier years (similar issues) for Rs. 72.96 (March 31, 2023 : Rs. 93.62).

[§]During the FY 2022-23, one of the subsidiary, has received an income tax order for AY 2021-22 majorly adding back income of Rs 200.10 for Goods and Services Tax ("GST") on sales. The Group has filed an stay of demand against the said order. Based on the advice obtained from tax expert, the Group's management believes that the probability of any outflow in respect of this order is remote and hence not considered in contingent liability.

c) Guarantees

The Group has issued various guarantees for performance, deposits, tender money, advances etc. The Group has also issued various indemnity bonds, letter of support, corporate guarantees, etc. for working capital requirements purposes to banks for wholly owned subsidiaries. The management has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here.

d) Others^

	For the year ended March 31, 2024	For the year ended March 31, 2023
Liability for export obligations	5.06	2.54
Claims against the Group not acknowledged as debt*	193.58	209.63

The timing and amount of the cash flow which will arise from these matters, will be determined by the relevant authorities on settlement of the cases or on receipt of claims from customers.

^Excluding of interest and penalty thereon.

**Includes a case against the Holding Company in dispute with customer amounting to Rs. 167.82 whereby in June 2023, an arbitrator ruled against the Holding Company in a dispute with a customer who had been supplied Gas Turbo Generators (GTGs) procured from a third party as part of a composite contract. The GTGs had failed and the arbitrator ruled that Holding Company must repair and restore them and bear other related costs, estimated in aggregate as Rs. 218.45, including interest. The award has been appealed by the Holding Company in the Bombay High Court. A stay has been granted, for which Holding Company has deposited with the customer Rs. 218.45. The deposit is refundable, with interest, depending on the outcome of the case. The final hearings challenging the award is in progress before the Bombay High Court.*

Pursuant to an independent legal opinion, the Holding Company had made a provision of Rs. 50.63 and for the balance amount, (which is included in the above sum) no provision had been considered necessary. The Holding Company is reasonably confident of the issue being ultimately decided in its favour.

e) There are certain law suits, disputes, warranty claims, etc., including commercial matters that arise from time to time in the ordinary course of business, the amounts involved in such matters are currently not quantifiable. However, based on managements assessment under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", the claims are not tenable/probability of final outcome against the Group is remote and therefore are not disclosed as contingent liabilities.

B Capital and Other Commitments

- a) Liability in respect of partly paid shares Rs. Nil (March 31, 2023: Rs. Nil).
- b) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 659.52 (March 31, 2023: Rs. 392.10).
- c) Estimated amount of contracts remaining to be executed for assets which are to be leased to customers and are currently under commissioning (net of advances) and not provided for is Rs. 20.47 (March 31, 2023: Rs. 72.43).
- d) For lease commitments, refer note 31.

31 Leasing Arrangements

Accounting policy

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Judgements

The Group has entered into certain arrangements with its customers where the Group will supply heat/steam by installing the boiler/heater at the customers' premises. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that fulfillment of these arrangement is dependent on the use of specific assets and the arrangement conveys to customers a right to use these specific assets. Accordingly, the Group has determined that these arrangements qualify as arrangements in the form of lease as per Ind AS 116 "Lease". The Group has also determined, based on evaluation of terms and conditions of these arrangements, such as the contract term constituting a major part of the economic life of the specific assets and the fair value of the asset, that it has transferred the significant risks and rewards in these assets to the customers and therefore these embedded lease arrangements have been classified as finance leases. The separation of lease and non-lease elements in these arrangements have been made at relative fair value of these elements, requiring Management judgment.

Segregation of lease and non-lease components of the consideration

The Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis by determining the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. Since the consideration is inclusive of the lease component, the stand-alone selling price is not directly observable. Hence, the Group estimates the standalone selling price by considering all the information (including market conditions, entity-specific factors and information about the customer or class of customer) that is reasonably available to the Group.

i) Where the Group is Lessor:

Accounting policy

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

a) Amounts receivable under Finance lease -

The Group has entered into certain arrangements with its customers where the Group will supply heat/steam/ treated water by installing boiler/heater/water treatment plants at their customers' premises. The Group has determined, that fulfilment of these arrangements is dependent on the use of a specific asset and the arrangement conveys a right to use these specific asset to the customers. Accordingly, these arrangements qualify as arrangements in the form of lease as specified in Ind-AS 116. Based on the evaluation of terms and conditions of these arrangements, such as the contract term constituting a major part of the economic life of the specific assets, the fair value of the asset and that it has transferred the significant risks and rewards in these assets to the customers, these lease arrangements have been classified as finance leases.

	Gross investment in lease		Present value of minimum lease payments	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Within one year	45.07	39.70	22.93	22.83
Between 1 and 2 years	41.75	32.40	22.20	18.24
Between 2 and 3 years	39.36	29.67	22.36	17.47
Between 3 and 4 years	36.65	27.97	22.37	17.76
Between 4 and 5 years	32.27	24.42	20.77	16.40
More than five years	94.94	64.41	69.15	47.77
	290.04	218.57	179.78	140.47
Less: Unearned finance income	110.26	78.10	-	-
Present value of minimum lease payments receivable	179.78	140.47	179.78	140.47
Allowance for uncollectible lease payments	-	-	-	-
Total	179.78	140.47	179.78	140.47

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current portion of finance lease receivables*	22.80	22.83
Non-current portion of finance lease receivables*	156.98	117.64

	For the year ended March 31, 2024	For the year ended March 31, 2023
Estimated unguaranteed residual value of assets under finance lease	-	-
Contingent rent recognised as income during the year	-	-
Interest rate inherent in the lease per annum	10.82% - 28.19%	10.82% - 28.19%

*Lease receivables amounting to Rs. 125.48 (March 31, 2023: Rs. 67.73) have been hypothecated against borrowings.

b) Operating lease

The Group has leased certain parts of its surplus office, buildings and equipment. The tenure of such lease agreements ranges from 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease rental received for the year	0.92	0.07

ii) Where the Group is Lessee:

Accounting policy

The Group lease asset classes primarily consist of leases for land, office buildings, guest house and other office equipment. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (1) the contract involves the use of an identified asset;
- (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at present value of the future lease payments. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Lease liability and ROU asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group has taken office buildings, factory sheds, guest house, warehouse, vehicles, printers and other office equipments on lease for a tenure of 1 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are no variable lease payments and residual value guarantees for these leases. The leases are renewable on mutually agreeable terms. At the expiry of the lease term, either party has an option to terminate the agreement or extend the term by giving notice in writing.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Carrying amounts of lease liabilities and the movements during the period ended as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease liabilities at the beginning of the year	19.99	12.29
Additions (for new lease during the year)	13.21	17.50
Discontinuation of lease	(3.02)	-
Accretion of interest	1.00	0.58
Exchange differences	0.45	(0.58)
Payments made	(10.15)	(9.80)
Lease liabilities at the end of the year	21.48	19.99
Current portion of lease liabilities	5.07	5.25
Non-current portion of lease liabilities	16.41	14.74
Total	21.48	19.99

Details of amounts recognised in Consolidated Statement of Profit and Loss

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use assets	6.51	6.01
Interest expense on lease liabilities	1.00	0.58
Expense relating to short-term leases (included in other expenses and staff welfare expenses)	24.29	24.40
Expense relating to leases of low-value assets (included in other expenses)	1.76	1.46
Total amount recognised in Consolidated Statement of Profit or Loss	33.56	32.45

Refer note 37(a) III for maturities of finance lease liabilities.

32 Interests in Other Entities

Group information

A Subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2024	As at March 31, 2023	
1	Thermax Onsite Energy Solutions Limited	India	100%	100%	Supply of steam and heat on build, own and operate basis.
2	Thermax Instrumentation Limited	India	100%	100%	Supply and erection commissioning of Air cooled condenser (ACC), Rotary air Pre-Heater (RAPH), electrostatic precipitator (ESP), Bag Houses. Civil, Erection & Commissioning and Operation and Maintenance of power plants.
3	Thermax Engineering Construction Company Limited	India	100%	100%	Installation of industrial machinery and equipment.
4	Thermax Sustainable Energy Solutions Limited ^{****}	India	100%	100%	Carbon advisory services.
5	Thermax International Limited	Mauritius	100%	100%	Investment Company.
6	Thermax Europe Limited	United Kingdom	100%	100%	Sale and service of vapour absorption chillers.
7	Thermax Inc.	USA	100%	100%	Sale and service of vapour absorption chillers and sale of chemicals.
8	Thermax do Brasil Energia e Equipamentos Ltda	Brazil	100%	100%	Rendering services including technical assistance.
9	Thermax Netherlands BV.	Netherlands	100%	100%	Investment Company.
10	Thermax Denmark ApS	Denmark	100%	100%	Investment Company.

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2024	As at March 31, 2023	
11	Danstoker A/S	Denmark	100%	100%	Produces and sells boilers to the energy market.
12	Ejendomsanp artsselskabet Industrivej Nord 13	Denmark	100%	100%	Own and lease out property within Group.
13	Boilerworks A/S	Denmark	100%	100%	Produces and supplies high-pressure boilers and components.
14	Boilerworks Properties ApS Industrivej ^{****}	Denmark	100%	100%	Own and lease out the property within Group.
15	Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	Poland	100%	100%	Produces and supplies high-pressure boilers and components.
16	Rifox-Hans Richter GmbH Spezialarmaturen	Germany	100%	100%	Manufacturing steam trap systems.
17	Thermax Sdn.Bhd	Malaysia	100%	100%	Turnkey solutions provider.
18	Thermax Engineering Singapore Pte. Ltd.	Singapore	100%	100%	Investment Company.
19	PT Thermax International Indonesia	Indonesia	100%	100%	Manufacturing of industrial products.
20	Thermax Senegal S.A.R.L ^{****}	Senegal	100%	100%	Plant management services.
21	First Energy Private Limited	India	100%	100%	Supply of solar power on build, own and operate basis.
22	Thermax Energy & Environment Philippines Corporation	Philippines	100%	100%	Marketing and sales of component parts of boilers.
23	Thermax Energy & Environment Lanka (Private) Limited	Sri Lanka	100%	100%	Supply of steam and heat on build, own and operate basis; Marketing and sales of component parts of boilers.
24	Thermax Nigeria Limited	Nigeria	100%	100%	Marketing and sales of component parts of boilers.
25	Thermax Babcock & Wilcox Energy Solutions Limited	India	100%	100%	Manufacture of steam or other vapour generating boilers and hot water boilers other than central heating boilers.
26	Thermax Cooling Solutions Limited	India	100%	100%	Supply and erection commissioning of Rotary air Pre-Heater (RAPH), electrostatic precipitator (ESP), Bag Houses.
27	Thermax Engineering Construction FZE	Nigeria	100%	100%	Operation and maintenance of power plants.
28	Thermax International Tanzania Limited	Tanzania	100%	100%	Supervision for project business, operation and maintenance services and sales related support.
29	Thermax (Thailand) Limited	Thailand	100%	100%	Trade and investment support office.
30	ESOP Trust and Employee Welfare Trusts ^{**}	India	100%	100%	Employee welfare.

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2024	As at March 31, 2023	
31	Enerxnt Private Limited	India	100%	100%	Supply of biogas on build, own, operate and transfer basis.
32	Thermax BioEnergy Solutions Private Limited (incorporated on August 08, 2022)	India	65%	65%	Setting up of BioCNG plants on turnkey basis.
33	First Energy TN 1 Private Limited (incorporated on January 31, 2022)*	India	100%	100%	Supply of solar power on build, own and operate basis.
34	First Energy 2 Private Limited (incorporated on March 29, 2022)*	India	100%	100%	Supply of solar power on build, own and operate basis.
35	First Energy 3 Private Limited (incorporated on May 05, 2022)*	India	100%	100%	Supply of solar power on build, own and operate basis.
36	First Energy 4 Private Limited (incorporated on December 07, 2022)*	India	100%	100%	Supply of solar power on build, own and operate basis.
37	First Energy 5 Private Limited (incorporated on December 13, 2022)*	India	100%	100%	Supply of solar power on build, own and operate basis.
38	First Energy 6 Private Limited (incorporated on March 23, 2023)*	India	100%	100%	Supply of solar power on build, own and operate basis.
39	First Energy 7 Private Limited (incorporated on March 26, 2023)#	India	100%	100%	Supply of solar power on build, own and operate basis.
40	Jalansar Wind Energy Private Limited (w.e.f June 22, 2022)*	India	100%	100%	Supply of solar power on build, own and operate basis.
41	Kanakal Wind Energy Private Limited (w.e.f June 22, 2022)*	India	100%	100%	Supply of solar power on build, own and operate basis.
42	First Energy 8 Private Limited (incorporated on August 10, 2023)	India	100%	-	Supply of solar power on build, own and operate basis.
43	First Energy Nine Private Limited (incorporated on February 1, 2024)	India	100%	-	Supply of solar power on build, own and operate basis.
44	First Energy 10 Private Limited (incorporated on March 23, 2024)	India	100%	-	Supply of solar power on build, own and operate basis.

**The Group has ESOP trust and Employee Welfare Trusts for the welfare of the employees. Pursuant to the arrangement between the Trusts and the Holding Company, the Holding Company has determined that it has power to direct the relevant activities of the trust while being exposed to variable returns from its involvement with these entities. As a result, these entities have been consolidated in these financial statements.

****The subsidiaries are under liquidation process/are liquidated.

*Includes 26% shares held by non-controlling shareholders for which non-controlling interests have not been recognised as the Group has assessed that there is no risk reward relationship attributable to them.

#Includes 29% shares held by non-controlling shareholders for which non-controlling interests have not been recognised as the Group has assessed that there is no risk reward relationship attributable to them.

B Parent Entity

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Type
			As at March 31, 2024	As at March 31, 2023	
1	RDA Holdings Private Limited	India	53.99%	53.99%	Ultimate Holding company

The above percentage of shareholding is before elimination of Trust's holding**.

C Associates

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2024	As at March 31, 2023	
1	Exactspace Technologies Private Limited (date of investment- January 25, 2022)	India	15.17%	10.41%	Business of developing artificial intelligence solutions for the energy industry
2	Covacsis Technologies Private Limited (date of investment- July 22, 2022)	India	16.67%	16.67%	Developing digital enabled service solutions for the energy industry

The investments listed above has been accounted by equity method.

33 Related Party Disclosures

A For details of Holding company and Associates, refer note 5, 32 and 35.

B Individuals having significant influence over the Group by reason of voting power, and their relatives:

- Mrs. Meher Pudumjee - Chairperson
- Mr. Pheroz Pudumjee - Director
- Mrs. Anu Aga - Relative of Chairperson/Director
- Mr. Zahaan Pudumjee - Relative of Chairperson/Director
- Ms. Lea Pudumjee - Relative of Director/Chairperson

C Key Management Personnel:

- Mr. Ashish Bhandari - Managing Director and Chief Executive Officer
- Dr. Valentin A. H. von Massow - Independent Director (ceased to be director w.e.f. July 21, 2022)
- Dr. Jairam Varadaraj - Independent Director
- Mr. Nawshir Mirza - Independent Director
- Mr. Harsh Mariwala - Independent Director
- Mr. Sashishekhhar Balakrishna (Ravi) Pandit - Independent Director
- Mrs. Rajani Kesari - Independent Director
- Mr. Rajendran Arunachalam - Chief Financial Officer
- Ms. Janhavi Khele - Company Secretary
- Mr. Ravi Shankar Gopinath - Independent Director
- Mr. Shyamak Tata - Independent Director (w.e.f. October 17, 2023)

D Enterprises with whom transactions have taken place during the year, over which control is exercised by individuals listed in 'B' and 'C' above:

- 1 Thermax Foundation, India
- 2 ARA Trusteeship Company Private Limited, India
- 3 Marico Limited, India
- 4 Elgi Ultra Industries Limited, India
- 5 Elgi Equipments Limited, India
- 6 The Akanksha Foundation, India
- 7 Festo India Private Limited, India
- 8 Kirtane & Pandit LLP, India

E Enterprises with whom transactions have taken place during the year, other than listed in 'B', 'C' and 'D' above:

- 1 EverEnviro Resource Management Private Limited

F Transactions with related parties:

a. Transactions during the year:

Particulars	Associates		Enterprises over which control is exercised by Individuals having significant influence over the company and Key Management Personnel		Key Management Personnel and Individuals having significant influence over the company mentioned in B and C		Total	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Sales of products and services	-	-	99.64	48.75	-	-	99.64	48.75
Purchase of raw material and components	-	-	0.89	5.49	-	-	0.89	5.49
Other expenses	3.35	3.47	-	-	-	-	3.35	3.47
Remuneration to key management personnel*	-	-	-	-	9.48	8.13	9.48	8.13
CSR expenditure	-	-	8.15	6.86	-	-	8.15	6.86
Director's sitting fees^	-	-	-	-	1.19	0.84	1.19	0.84
Commission paid	-	-	-	-	6.90	5.39	6.90	5.39
Rent paid	-	-	-	-	0.60	0.63	0.60	0.63

*Does not include gratuity and leave encashment since the same is calculated for all employees of the Group as a whole.

Dividend paid to RDA Holdings Pvt. Ltd., India is Rs. 64.33 (March 31, 2023: Rs. 57.90).

^Includes sitting fees paid to director's of holding companies.

b. Balances as at the year end:

Particulars	Associates		Enterprises over which control is exercised by Individuals having significant influence over the company and Key Management Personnel		Key Management Personnel and Individuals having significant influence over the company mentioned in B and C		Total	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade receivables	-	-	27.15	0.36	-	-	27.15	0.36
Advances received	-	-	2.28	0.03	-	-	2.28	0.03
Security deposit	-	-	-	-	0.18	0.18	0.18	0.18
Trade payables and other liabilities	-	0.62	0.75	0.94	0.11	-	0.86	1.56

G Related party transactions include transactions pertaining to the following parties with whom the percentage of the transactions are 10% or more of the total of the above:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Transactions during the year		
Sale of product and services		
EverEnviro Resource Management Private Limited	94.36	41.68
Marico Limited	4.78	6.57
Purchase of raw material and components		
Elgi Equipments Limited	0.89	5.49
Other expenses		
Exactspace Technologies Private Limited	2.96	3.37
Remuneration to Key Management Personnel		
Mr. Ashish Bhandari	6.70	5.91
Mr. Rajendran Arunachalam	2.30	1.78
CSR expenditure		
Thermax Foundation, India	8.15	6.86
Directors sitting fees		
Mrs. Meher Pudumjee	0.10	0.09
Mr. Pheroze Pudumjee	0.13	0.11
Dr. Valentin A. H. von Massow	-	0.03
Dr. Jairam Varadaraj	0.11	0.11
Mr. Nawshir Mirza	0.16	0.15
Mr. Ravi Pandit	0.09	0.09
Mr. Shyamak Tata	0.05	-
Mrs. Rajani Kesari	0.16	0.12
Mr. Harsh Mariwala	0.06	0.07
Mr. Ravi Shankar Gopinath	0.31	0.09

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Commission paid		
Mrs. Meher Pudumjee	0.46	0.46
Mr. Pheroze Pudumjee	0.18	0.23
Dr. Valentin A. H. von Massow	-	0.32
Dr. Jairam Varadaraj	0.18	0.18
Mr. Nawshir Mirza	0.45	0.45
Mr. Harsh Mariwala	0.23	0.23
Mr. Ravi Pandit	0.18	0.18
Mrs. Rajani Kesari	0.22	0.22
Mr. Ashish Bhandari	5.00	3.12
Rent paid		
Mrs. Anu Aga	0.60	0.63

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade receivables		
Everenviro Resource Management Private Limited	26.51	-
Marico Limited	0.64	0.36
Trade payables and other liabilities		
Elgi Equipments Limited	-	0.08
Marico Limited	0.75	0.75
Exactspace Technologies Private Limited	-	0.59
Covacsis Technologies Private Limited	-	0.03
Mr. Nawshir Mirza	0.07	0.07
Mrs. Rajani Kesari	0.04	0.04
Advances received		
Marico Limited	**	**
Everenviro Resource Management Private Limited	2.28	-
B9 Beverages Private Limited	-	0.03
Security deposits		
Mr. Pheroze Pudumjee	0.18	0.18

**represents amount less than a lakh rupees.

H Terms and conditions of related party transactions:

The sales to and purchases from related parties are assessed to be at arm's length by the management. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

For the year ended March 31, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

All outstanding balances are unsecured and repayable in cash.

34 Segment Reporting

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company has identified the Managing Director and Chief Executive Officer as the chief operating decision maker of the Group.

Judgements

Ind AS 108 - "Operating Segments" requires Management to determine the reportable segments for the purpose of disclosure in consolidated financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The Standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Managing Director and Chief Executive Officer to assess performance and allocate resources. The management has determined that some of the segments exhibit similar economic characteristics and meet other aggregation criteria and accordingly aggregated into four reportable segments i.e. industrial products, industrial infra, green solutions and chemical.

The Group's portfolio includes boilers and heaters, absorption chillers/heat pumps, power plants, solar equipment, related services, air pollution control equipment/system, water and waste recycle plant, ion exchange resins and performance chemicals and related services. Management has determined the operating segments based on the reports reviewed by the CEO and Managing Director (CMD); that are used to make strategic decisions, allocation of resources and assessing the performance of the segments. The CMD of the Holding Company evaluates the segments based on their revenue and operating results.

The CODM evaluates performance based on the revenues and operating profit for four segments - Industrial Products, Industrial Infra, Green Solutions and Chemical.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis. Inter-segment transfer price is calculated as cost plus reasonable mark-up.

I Information about Business Segments:

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i	Segment Revenue		
a.	Industrial Products	4,055.21	3,337.53
b.	Industrial Infra	4,455.21	3,928.00
c.	Green Solutions	507.06	362.71
d.	Chemical	663.35	672.83
	Total	9,680.83	8,301.07
	Less: Inter segment revenue	(357.37)	(211.26)
	Revenue from operations	9,323.46	8,089.81

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
ii	Depreciation, impairment and amortisation		
a.	Industrial Products	46.86	35.16
b.	Industrial Infra	30.05	32.69
c.	Green Solutions	25.01	2.35
d.	Chemical	23.34	22.24
e.	Unallocated	22.82	24.42
	Total	148.08	116.86
iii	Segment Results		
	Profit before tax and interest from each segment		
a.	Industrial Products	397.01	273.92
b.	Industrial Infra	208.91	216.77
c.	Green Solutions	44.94	14.96
d.	Chemical	123.78	86.45
	Total	774.64	592.10
	Less: i) Interest	87.59	37.59
	ii) Other unallocable expenditure net of unallocable (income)	(107.24)	(48.78)
	iii) Share of loss on associates (Refer note 5)	0.82	0.23
	iv) Exceptional items (relating to Industrial Infra segment)	50.63	-
	iv) Exceptional items (Unallocable)	(126.12)	-
	Total profit before tax	868.96	603.06

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
iv	Segment Assets		
a.	Industrial Products	2,069.08	1,686.95
b.	Industrial Infra	2,711.67	2,548.92
c.	Green Solutions	1,690.12	956.61
d.	Chemical	592.47	498.18
	Total	7,063.34	5,690.66
	Unallocated	3,270.52	3,301.91
	Total	10,333.86	8,992.57
	Less: Inter segment assets	(180.85)	(153.96)
	Total Assets	10,153.01	8,838.61
v	Segment Liabilities		
a.	Industrial Products	2,230.37	1,847.43
b.	Industrial Infra	2,324.40	2,374.97
c.	Green Solutions	1,048.42	629.63
d.	Chemical	76.62	93.15
	Total	5,679.81	4,945.18
	Unallocated	214.25	177.17
	Total	5,894.06	5,122.35
	Less: Inter segment liabilities	(180.85)	(153.96)
	Total Liabilities	5,713.21	4,968.39

Reconciliations to amounts consolidated in financial statements

Reconciliation of profit	For the year ended March 31, 2024	For the year ended March 31, 2023
Segment profit	774.64	592.10
Other income	232.57	160.18
Share of (loss) on associates (Refer note 5)	(0.82)	(0.23)
Finance cost	(87.59)	(37.59)
Exceptional items gain	75.49	-
Other corporate costs*	(125.33)	(111.40)
Profit before tax	868.96	603.06

*Mainly includes employee cost, legal and professional expenses, depreciation on unallocable assets, etc.

Reconciliation of assets	As at March 31, 2024	As at March 31, 2023
Segment operating assets (net of intersegment elimination)	6,882.49	5,536.70
Investments	1,765.09	1,626.08
Cash and bank balances	975.32	1,131.58
Balances with government authorities	86.74	128.74
Income tax assets	209.55	220.83
Other unallocated assets (includes deferred tax, etc.)	233.82	194.68
Total assets	10,153.01	8,838.61

Reconciliation of liabilities	As at March 31, 2024	As at March 31, 2023
Segment operating liabilities (net of intersegment elimination)	5,498.95	4,791.22
General borrowings	32.03	15.23
Income tax liabilities	41.05	24.44
Other unallocated liabilities (includes deferred tax, statutory dues, provision for leave encashment, etc.)	141.18	137.50
Total liabilities	5,713.21	4,968.39

II Information about geographic segments:

Revenue from external customers	For the year ended March 31, 2024	For the year ended March 31, 2023
India	7,258.80	6,040.51
Outside India	2,064.66	2,049.30
Total	9,323.46	8,089.81

No individual customer contributed more than 10% of Group's total revenue for the year ended March 31, 2024 and March 31, 2023.

Non-current asset	As at March 31, 2024	As at March 31, 2023
India	2,689.23	1,998.69
Outside India	134.72	131.79
Total	2,823.95	2,130.48

35 Non-Controlling Interests

The Group has invested in 65% share of Thermax BioEnergy Solutions Private Limited (TBSPL), which is involved in setting up of BioCNG plants from various wastes on turnkey basis. The Group has controlling rights over the decision making process. As a result, the Holding Company holds control in TBSPL and the interest in TBSPL is accounted for using the acquisition method in consolidated financial statements.

The summarised financial information of the subsidiary, based on their audited financial statements, and reconciliation with the carrying amount of investment in consolidated financial statements are set out below:

Summarised balance sheet	As at March 31, 2024	As at March 31, 2023
Current assets		
Cash and cash equivalents	1.92	20.86
Other current assets	171.91	49.35
Total current assets (A)	173.83	70.21
Total non-current assets (B)	10.87	3.55
Non-current liabilities		
Financial liabilities	0.84	-
Total Non-current liabilities (C)	0.84	-
Current liabilities		
Financial liabilities	82.00	23.69
Other current liabilities	113.10	43.97
Total current liabilities (D)	195.10	67.66
Net assets E = (A+B-C-D)	(11.24)	6.10
Accumulated non-controlling interests (35%)	-	2.15

The information disclosed reflects the amounts presented in the financial statements of the relevant subsidiary and not Holding Company's share of those amounts.

Summarised Statement of Profit and Loss	For the year ended March 31, 2024	For the period August 12, 2022 to March 31, 2023
Total income	265.14	48.13
Less:		
Cost of raw materials and components consumed	(175.08)	(21.41)
Depreciation and amortisation expenses	(1.04)	(0.13)
Finance costs	(0.56)	(0.02)
Employee benefits expenses	(14.99)	(3.18)
Other expenses	(90.60)	(21.82)
(Loss)/profit before tax	(17.13)	1.57
Tax expenses	(0.11)	(0.41)
(Loss)/profit for the period	(17.24)	1.16
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	(0.17)	(0.03)
Total comprehensive income for the period	(17.41)	1.13
Attributable to non-controlling interests	2.15	0.40

For details on redemption liabilities for Special Purpose Vehicles (SPVs), refer note 18.

Summarised Cash Flow Information	As at March 31, 2024	As at March 31, 2023
Operating activities	(4.80)	16.69
Investing activities	(14.09)	(0.81)
Financing activities	(0.04)	4.98
Net (decrease)/ increase in Cash and Cash Equivalents	(18.93)	20.86

36 Fair Value Measurements

a) Category of financial instruments and valuation techniques

(i) Financial assets

Details of financial assets carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Investments	465.21	629.35
Trade receivables	2,267.06	1,876.56
Loans	5.42	7.12
Finance lease receivables	179.78	140.47
Other assets	615.15	589.50
Cash and cash equivalents	486.58	452.82
Bank balances other than cash and cash equivalents (includes fixed deposits with banks)	488.74	678.76
Total	4,507.94	4,374.58
Current assets	3,968.78	4,072.07
Non-current assets	539.16	302.51
Total	4,507.94	4,374.58

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Details of financial assets carried at fair value through profit and loss

	As at March 31, 2024	As at March 31, 2023
Investments	1,280.83	980.36
Total	1,280.83	980.36
Current assets	1,047.56	763.52
Non-current assets	233.27	216.84
Total	1,280.83	980.36

The fair values of the quoted shares are based on price quotations at the reporting date and unquoted mutual funds are based on net asset value as at reporting date.

Details of derivative assets

	As at March 31, 2024	As at March 31, 2023
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	1.08	1.57
Derivative not designated as hedges		
Foreign exchange forward contracts	1.66	2.28
Total	2.74	3.85
Current assets	2.74	3.85
Non-current assets	-	-
Total	2.74	3.85

(ii) Financial liabilities

Details of financial liabilities carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Borrowings	1,255.95	810.54
Trade payables	1,581.04	1,528.61
Employee related payables	136.68	103.26
Other liabilities	120.54	80.44
Total	3,094.21	2,522.85
Current liabilities	2,189.13	2,026.60
Non-current liabilities	905.08	496.25
Total	3,094.21	2,522.85

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Details of derivative liabilities

	As at March 31, 2024	As at March 31, 2023
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	1.91	5.66
Derivative not designated as hedges		
Foreign exchange forward contracts	2.83	3.92
Total	4.74	9.58
Current liabilities	4.74	9.58
Non-current liabilities	-	-
Total	4.74	9.58

The Group enters into derivative financial instruments with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs which captures credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies. The Group has practice to settle all derivative contracts on or before its maturity using the sanctioned finance limits with banks, thereby eliminating both counterparty and the Group's own non-performance risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2024:

	Date of valuation	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Equity instruments	March 31, 2024	-	-	-	-
Mutual funds	March 31, 2024	1,280.83	-	-	1,280.83
Corporate deposits/ Corporate bonds	March 31, 2024	-	465.21	-	465.21
Derivative financial assets	March 31, 2024	-	2.74	-	2.74
Financial liabilities					
Derivative financial liabilities	March 31, 2024	-	4.74	-	4.74

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023:

	Date of valuation	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Equity instruments	March 31, 2023	-	-	-	-
Mutual funds	March 31, 2023	980.36	-	-	980.36
Corporate deposits/ Corporate bonds	March 31, 2023	-	629.35	-	629.35
Derivative financial assets	March 31, 2023	-	3.85	-	3.85
Financial liabilities					
Derivative financial liabilities	March 31, 2023	-	9.58	-	9.58

There has been no transfer between level 1 and level 2 during the year and during the previous year.

The fair value of forward contracts is determined using observable inputs, such as currency exchange rates applied to notional amounts stated in the applicable contracts.

37

(a) Financial Risk Management

The Group's principal financial liabilities, other than derivatives, comprise trade and other payables and loans and borrowings. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and amortised cost investments and enters into derivative transactions.

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to market risk, credit risk and liquidity risk.

The Group's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the years ended March 31, 2024 and March 31, 2023. The management of the Holding Company reviews and agrees policies for managing each of these risks which are summarised below:

I Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is currently exposed to such risk as most of the borrowings are on floating interest terms, the impact due to change in interest rate are as follows:

	Impact on profit before tax	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest rate		
- Increase by 100 basis points	(12.56)	(8.11)
- Decrease by 100 basis points	12.56	8.11

b Foreign currency risk

Foreign exchange risk arises when future commercial transactions and relevant assets and liabilities are denominated in a currency that is not the Group's functional currency. Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk is managed on the basis of limits determined by management and a continuous assessment of current and expected exchange rate movements and entering into derivative contracts that hedge the maximum period of exposure of underlying transactions (i.e. highly probable forecast sales and purchases).

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, SEK, EUR and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives not designated as cash flow hedge and foreign currency derivatives with underlying foreign currency monetary assets/liabilities designated as cash flow hedge. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	Impact on profit before tax		Impact on other components of equity	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
USD Sensitivity				
INR/ USD - Increase by 1%	(3.31)	(0.97)	(0.20)	0.07
INR/ USD - Decrease by 1%	3.31	0.97	0.20	(0.07)
SEK Sensitivity				
INR/ SEK - Increase by 1%	(0.17)	(0.01)	(0.01)	-
INR/ SEK - Decrease by 1%	0.17	0.01	0.01	-
EUR Sensitivity				
INR/ EUR - Increase by 1%	0.77	1.20	0.44	(0.02)
INR/ EUR - Decrease by 1%	(0.77)	(1.20)	(0.44)	0.02
JPY Sensitivity				
INR/ JPY - Increase by 1%	0.02	0.11	-	-
INR/ JPY - Decrease by 1%	(0.02)	(0.11)	-	-

Favourable impact shown as positive and adverse impact as negative.

The exposure to other foreign currencies is not significant to the Group's financial statements.

c Price risk

The Group's investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. These securities are unquoted. The Group manages the price risk through diversification and by placing limits on individual and total equity/mutual fund instruments. Further, the price risk is also mitigated by switching the investment portfolio between investment in equity/mutual fund instruments and investments in bank deposits/corporate deposits. Reports on the investment portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. The Group is not currently exposed significantly to such risk.

II Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables, lease assets and contract assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables/contract assets/lease receivable

Customer credit risk is managed by each business unit. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on losses as per historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in notes 7, 9(b) and 31(i)(a) above. The charge of impairment to Statement of profit and loss is disclosed in note 27 above. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and bank deposits

Credit risk from balances with banks, mutual funds, loans and other financial assets are managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties having a good market reputation and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for bank balances and deposits as at March 31, 2024 and March 31, 2023 is the carrying amounts as disclosed in Note 9(a) and 13, maximum exposure relating to financial derivative instruments disclosed in notes 9(b) and 18(b) to the consolidated financial statements.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at operating segments level in the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting future cash flows and considering the level of liquid assets necessary to meet these and monitoring balance sheet liquidity ratios against internal requirements.

(i) Maturities of financial liabilities

The tables below summarises the Group's financial liabilities into relevant maturity profile based on contractual undiscounted payments:

March 31, 2024	< 1 year	1 to 3 years	> 3 years	Total
Non-derivative				
Borrowings				
Loans	466.47	87.84	701.64	1,255.95
Trade payables	1,532.89	48.15	-	1,581.04
Other financial liabilities				
Lease obligation	5.07	5.46	26.11	36.64
Unpaid dividend	0.61	-	-	0.61
Other payables	184.09	3.55	92.36	280.00
Derivatives (net settled)				
Foreign exchange forward contracts	4.74	-	-	4.74

March 31, 2023	< 1 year	1 to 3 years	> 3 years	Total
Non-derivative				
Borrowings				
Loans	388.02	43.08	379.44	810.54
Trade payables	1,497.86	30.75	-	1,528.61
Other financial liabilities				
Lease obligation	5.25	9.43	20.73	35.41
Unpaid dividend	0.69	-	-	0.69
Other payables	134.78	1.19	56.04	192.01
Derivatives (net settled)				
Foreign exchange forward contracts	9.58	-	-	9.58

(b) Hedging Activities and Derivatives

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in EUR, USD, SEK and forecast purchases in USD, JPY and SEK. These forecast transactions are highly probable, and fully cover the Group's expected future sales and future purchases based on the orders received.

While the Group also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Fair value of Foreign exchange forward contracts designated as hedging instruments	2.74	(4.74)	3.85	(9.48)

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss. Notional amounts of hedged instruments mentioned as assets for export transaction and as liabilities for import transactions, are as mentioned below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Foreign exchange forward contracts	410.10	(15.77)	394.11	(17.94)
Derivatives not designated as hedges				
Foreign exchange forward contracts	732.69	(161.13)	509.66	(150.28)

All the derivative contracts expire in next 12 months.

The cash flow hedges of the expected future sales and purchases were assessed to be highly effective and following net unrealised gain/(loss) with a deferred tax asset/ (liability) relating to the hedging instruments, is included in OCI.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Expected future sales	Expected future purchases	Expected future sales	Expected future purchases
Unrealised gain/ (loss)	(1.10)	-	(4.43)	-
Deferred tax asset/ (liability)	0.28	-	1.12	-
	(0.82)	-	(3.31)	-

The amounts retained in OCI at March 31, 2024 are expected to mature and affect the statement of profit and loss during the year ending March 31, 2025.

Reclassifications to profit or loss during the year gains or losses included in OCI are shown in Note 29.

Interest rate swap (cash flow hedge)

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

The carrying value of interest rate swap at the end of the reporting year are as follows:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Interest rate swap	-	-	-	(0.10)

The nominal value of interest rate swap are:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Interest rate swap	-	-	-	(7.71)

38 Struck off Companies[^]

There are no shares held by struck off companies. Below are details of investment, receivable, payable and any other transactions outstanding with struck off companies.

For the year ended March 31, 2024:

Name of struck off company	Entity name	Nature of transactions	Transaction during the year	Balance outstanding at the end of the year	Relationship with the struck off Company, if any, to be disclosed
Parim Infocomm Private Limited	Thermax Instrumentation Limited	Payable	-	**	None
Optima Erectors Pvt. Ltd.	Thermax Instrumentation Limited	Trade payables	0.10	**	None
Compact Global Private Limited	Thermax Babcock & Wilcox Energy Solutions Ltd	Payable	-	0.65	None

**Less than a lakh rupees

For the year ended March 31, 2023:

Name of struck off company	Entity name	Nature of transactions	Transaction during the year	Balance outstanding at the end of the year	Relationship with the struck off Company, if any, to be disclosed
Semicon Speciality Gases Limited	Thermax Limited	Sales	0.26	-	None
Compact Global Private Limited	Thermax Babcock & Wilcox Energy Solutions Ltd	Payable	-	0.65	None
Parim Infocomm Private Limited	Thermax Instrumentation Limited	Payable	**	**	None

**Less than a lakh rupees

[^]Information in this regard is on basis of intimation received, on requests made by the Holding Company and its Indian subsidiaries, with regards to registration of vendors and customers under the Act.

39 Capital Amangement

The Group's objective for capital management is to maximise long term shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. No changes were made in the objectives, policies or processes during the years ended March 31, 2024 and March 31, 2023. Capital represents equity attributable to equity holders of the Parent Company.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Borrowings	1,255.95	810.54
Lease liabilities	21.48	19.99
Book overdraft	-	0.02
Less: Cash and cash equivalents (includes deposits with maturity of more than 3 months but less than 12 months)	(975.93)	(1,132.27)
Net debt	301.50	(301.72)
Equity attributable to equity holders of the parent	4,439.80	3,868.07
Capital and net debt	4,741.30	3,566.35
Gearing ratio	1:15.73	NA

Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that defines capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. One of the subsidiary has not complied with some of the debt covenants as at March 2024, refer note 16 for details.

40 Share Based Payments

Employees Stock Option Plan 2021 (ESOP 2021)

The Board of Directors and the shareholders of the Holding Company approved Employee Stock Option Plan at their meeting in January 2022. Pursuant to this approval, the Holding Company instituted ESOP 2021 Plan in January 2022. The nomination and remuneration committee of the Holding Company administers this Plan. Each option carries with it the right to purchase one equity share of the Holding Company. The Options have been granted to employees of the Holding Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such option. Option granted under ESOP 2021 shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 3 (Three) years from the date of grant. The vesting of the options is 33%, 33% and 34% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	21,609	15.25	-	-
Granted during the year	28,558	15.25	22,633	15.25
Forfeited during the year	2,580	15.25	1,024	15.25
Exercised during the year	5,888	15.25	-	-
Lapsed during the year	-	15.25	-	-
Options outstanding at the end of year	41,699	15.25	21,609	15.25
Options exercisable at the end of the year	5,079	15.25	-	15.25

The weighted average remaining contractual life is as follows:

Exercise Price	As at March 31, 2024		As at March 31, 2023	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
Rs. 15.25	Ranging between 1.89 - 1.90	41,699	Ranging between 1.89 - 1.90	21,609

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

Particulars	As at March 31, 2024	As at March 31, 2023
1. Exercise price (Rs.)	15.25	15.25
2. Price of the underlying share in market at the time of the option grant (Rs.)	Ranging between 2,139.45 - 2,415.85	Ranging between 2,139.45 - 2,170.40
3. Weighted average fair value of options granted (Rs.)	Ranging between 2,105.39 - 2,379.45	Ranging between 2,105.39 - 2,136.06
4. Expected life of the option (years)	3-5	3-5
5. Risk free interest rate (%)	Ranging between 6.53% - 7.05%	Ranging between 6.53% - 6.59%
6. Expected volatility (%)	Ranging between 12.86% - 13.14%	12.86%
7. Dividend yield (%)	0.48%	0.48%

The Group recorded an employee compensation cost of Rs. 4.88 (March 31, 2023: Rs. 2.52) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

Previous year information is not provided as the ESOP has been awarded in current year.

41 Other Statutory Information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property;
- (ii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period;
- (iii) The Group have not traded or invested in crypto currency or virtual currency during the financial year;
- (iv) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (vi) The Group have not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961."

42 Standards Issued but Not Yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

43 Assets and Liabilities Classified as Held for Sale

Accounting policy

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group);
- An active programme to locate a buyer and complete the plan has been initiated (if applicable);
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortized assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

The Group has identified certain assets like Land, Building etc. which are available for sale in its present condition. The Group was committed to plan the sale of asset and an active programmed to complete the sale has been initiated. The Group expects to dispose off these assets in the due course. Accordingly, non-current assets held for sale amounting to Rs. Nil (March 31, 2023: Rs. 7.90) (net book value) has been classified in the books of account. During the year, the Group has completed the sale amounting to Rs. 135.66 (March 31, 2023: Rs. Nil) and gain on this transaction is disclosed in note 45 below.

44 A. Compliance with Section 143 (3) for Maintenance of Books of Account

The Holding Company and its Indian subsidiaries including foreign branches have a process to take daily back-up of books of account maintained in electronic mode and along with the logs of the back-up of such books of account. However, the backup of certain books of account and books and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis:

Entity Name	IT Application/ Branches	Requirements u/s 143(3) of the Act	
		Books of Account maintained on cloud/ servers physically located in India	Backup maintained in India on daily basis
Thermax Limited	SAP	Yes	Yes*
Thermax Limited Thermax Onsite Energy Solutions Limited Thermax Babcock & Wilcox Energy Solutions Limited Thermax BioEnergy Solutions Private Limited Thermax Instrumentation Limited	Employee reimbursement system	No	No
First Energy Private Limited First Energy TN 1 Private Limited First Energy 2 Private Limited First Energy 3 Private Limited First Energy 4 Private Limited First Energy 5 Private Limited First Energy 6 Private Limited First Energy 7 Private Limited Jalansar Wind Energy Private Limited Kanakal Wind Energy Private Limited First Energy 8 Private Limited First Energy Nine Private Limited First Energy 10 Private Limited	Certain books of account including books and paper	No	No
Thermax Instrumentation Limited	Foreign branches	No	No

*The Holding Company has defined process to take daily back-up of books of account maintained electronically and maintain the logs of backup of such books of account however the evidence are not available for the period April 1, 2023 to May 27, 2023.

The Group will take appropriate measures to comply with regulations.

44 B. Compliance with Section 143 (3) for Audit Trail

The Holding Company and subsidiaries which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of audit trail except for the following:

The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for below instances:

- i) 3 branches of a subsidiary did not have accounting softwares which had a feature of recording audit trail (edit log) facility and the same did not operate throughout the year for all relevant transactions recorded in the softwares;
- ii) 7 nos of subsidiaries and the Holding Company have used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for changes made to certain master data in applications and changes made to the Database using privileged/ administrative access rights. Further no instance of audit trail feature being tampered with was noted in respect of accounting software;

- iii) 13 subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility which has operated through out the year except that no audit trail has been enabled at the database level to log any direct data changes. Further, for certain accounting software used for maintaining its books of account, the accounting software doesn't have feature of recording audit trail.

45 Exceptional Items

	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision related to litigation (Refer note 30A)	(50.63)	-
Gain on sale of Property, Plant and Equipment (Refer note 43)	126.12	-
	75.49	-

46 Business Combination

The Holding Company had entered into a Share Purchase Agreement ("SPA") and a Shareholders Agreement ("SHA") on February 06, 2024 with TSA Process Equipments Private Limited (Target) and its shareholders to acquire 51% equity shares of Target subject to conditions precedents to the SPA. Subsequent to the year end, upon fulfilling of the condition's precedents, the Holding Company has completed the acquisition of 51% of the shares of Target on April 19, 2024, (i.e., the Closing Date), for a consideration of Rs. 71.14. Further, the Holding Company has a right to acquire remaining 49% of the shares over a period of two years from the closing date, subject to completion of certain conditions precedents mentioned in SPA. The Group is in the process of completing the purchase price allocation as on date.

TSA Process Equipment's Private Limited is engaged in the business of developing, designing, supplying, installing and commissioning of complete turn-key solutions for varied water treatment and distribution needs for high purity plants, reverse osmosis plants, demineralisation plant and sterile ultrafiltration plant of any capacity. With the acquisition of 51% equity stake in Target, Target has become a subsidiary of the Holding Company with effect from the closing date, enabling the Group to take advantage of emerging opportunities in high purity water solutions.

- 47 The Holding Company has received a few allegations through the whistle-blower process during the last quarter of the year, alleging improper conduct and fraud by some employees in supply chain & related matters. Management is taking steps to review and assess these allegations. Based on the initial reviews, Management does not believe that these allegations, on completion of the review and assessment exercise, will result in having a material impact on these financial statements or the internal controls over financial reporting process as at March 31, 2024.
- 48 During the year, one of the step-down subsidiary was hit by unprecedented torrential rain around mid December resulting in submerging of the project site. The management has performed a detailed assessment of losses incurred on account of this event. Modules which forms substantial cost of the project, were also submerged under water, but a substantial portion of these modules are subsequently operational and there is no sign of any physical damage except for few modules. The management has filed for an insurance claim for total loss inclusive of modules cost. The insurance company has appointed an external party to evaluate the damage to the modules including impact on performance which is in progress. The insurance company has acknowledged the intimation of claim and has confirmed that the property and the event are covered under the policy. Further the insurance company has remitted Rs. 10 as on-account payment. The expense of Rs. 3.39 pertaining to damage has been accounted for as repairs and maintenance cost in the books of account and the corresponding insurance claim income of Rs. 3.23 has been recognised based on management's assessment of insurance claim being virtually certain.

49 Additional Information Required by Schedule III

Disclosure of additional information pertaining to the parent company, subsidiaries and its associates: For the year ended March 31, 2024:

Name of the Entity	Net Assets (Total assets-total liabilities)		Share in Profit and Loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent Company								
Thermax Limited	79.66%	3,536.70	68.01%	437.44	47.41%	(4.21)	68.30%	433.23
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Limited	18.61%	826.19	20.58%	132.36	(3.88%)	0.34	20.92%	132.71
Thermax Onsite Energy Solutions Limited	4.87%	216.13	4.03%	25.94	0.64%	(0.06)	4.08%	25.88
Thermax Instrumentation Limited	1.13%	50.25	1.79%	11.51	4.63%	(0.41)	1.75%	11.10
Thermax Engineering Construction Company Limited	0.34%	15.31	0.15%	0.94	(0.07%)	0.01	0.15%	0.95
Thermax Cooling Solutions Limited	0.00%	(0.05)	(0.01%)	(0.03)	(0.05%)	0.00	(0.00%)	(0.03)
Thermax Sustainable Energy Solutions Limited*	(0.09%)	(3.83)	0.00%	-	-	-	0.00%	-
First Energy Private Limited (Consol.)	8.02%	356.17	(7.48%)	(48.14)	2.03%	(0.18)	(7.62%)	(48.32)
Enerxt Private Limited	0.53%	23.53	(0.01%)	(0.08)	-	-	(0.01%)	(0.08)
Thermax BioEnergy Solutions Private Limited	(0.25%)	(11.24)	(2.68%)	(17.23)	1.97%	(0.17)	(2.74%)	(17.40)
Foreign subsidiaries								
Thermax Engineering Singapore Pte. Ltd.	1.69%	75.13	(10.67%)	(68.60)	(205.22%)	18.20	(7.95%)	(50.40)
PT Thermax International Indonesia	1.77%	78.56	(3.60%)	(23.16)	20.49%	(1.82)	(3.94%)	(24.97)
Thermax Inc.	2.29%	101.67	1.54%	9.87	(16.13%)	1.43	1.78%	11.30
Thermax Europe Limited	1.62%	72.08	0.41%	2.67	(29.63%)	2.63	0.83%	5.30
Thermax Netherlands B.V.	0.56%	25.02	(0.11%)	(0.70)	0.01%	(0.00)	(0.11%)	(0.70)

Name of the Entity	Net Assets (Total assets-total liabilities)		Share in Profit and Loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Thermax Denmark ApS (Consol.)	1.54%	68.27	4.30%	27.64	(42.31%)	3.75	4.95%	31.39
Thermax International Limited	0.32%	14.15	1.37%	8.80	(0.60%)	0.05	1.40%	8.85
Thermax Energy and Environment Lanka (Pvt) Limited	0.70%	30.98	(0.15%)	(0.94)	(29.23%)	2.59	0.26%	1.65
Rifox-Hans Richter GmbH Spezialarmaturen	0.33%	14.85	0.37%	2.37	(1.61%)	0.14	0.40%	2.51
Thermax Energy & Environment Philippines Corporation	0.13%	5.58	0.05%	0.29	1.21%	(0.11)	0.03%	0.18
Thermax Engineering Construction FZE	0.42%	18.70	2.04%	13.10	(2.00%)	0.18	2.09%	13.28
Thermax Sdn.Bhd	0.06%	2.44	0.02%	0.15	1.47%	(0.13)	0.00%	0.02
Thermax Nigeria Limited	0.33%	14.55	2.78%	17.85	130.28%	(11.56)	0.99%	6.29
Thermax do Brasil-Energia e Equipamentos Ltda.	0.02%	0.89	0.04%	0.25	(0.15%)	0.01	0.04%	0.26
Thermax International Tanzania Limited	0.23%	10.19	0.70%	4.52	12.19%	(1.08)	0.54%	3.44
Thermax (Thailand) Limited	0.12%	5.30	0.16%	1.03	2.65%	(0.24)	0.13%	0.80
Associates								
Covacsis Technologies Private Limited	0.00%	-	(0.05%)	(0.30)	0.00%	-	(0.05%)	(0.30)
Exactspace Technologies Private Limited	0.00%	-	(0.08%)	(0.52)	0.00%	-	(0.08%)	(0.52)
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	3.23%	143.56	0.97%	6.23	0.00%	-	0.98%	6.23
Consolidation Adjustments	(28.18%)	(1,251.27)	15.54%	99.93	205.91%	(18.26)	12.88%	81.67
Total	100.00%	4,439.80	100.00%	643.19	100.00%	(8.87)	100.00%	634.32

*Liquidated in FY 2023-24.

Disclosure of additional information pertaining to the parent company, subsidiaries and its associates: For the year ended March 31, 2023:

Name of the Entity	Net Assets (Total assets-total liabilities)		Share in Profit and Loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent Company								
Thermax Limited	83.14%	3,217.88	73.06%	329.26	(4094.74%)	(7.78)	71.30%	321.48
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Limited	16.52%	639.31	23.98%	108.10	(4326.32%)	(8.22)	22.15%	99.88
Thermax Onsite Energy Solutions Limited	3.98%	154.19	3.55%	15.99	36.84%	0.07	3.56%	16.06
Thermax Instrumentation Limited	1.34%	51.97	1.87%	8.41	57.89%	0.11	1.89%	8.52
Thermax Engineering Construction Company Limited	0.37%	14.34	2.04%	9.19	(42.11%)	(0.08)	2.02%	9.11
Thermax Cooling Solutions Limited	0.23%	8.77	0.49%	2.21	15.79%	0.03	0.50%	2.24
Thermax Sustainable Energy Solutions Limited	(0.10%)	(3.83)	0.00%	-	0.00%	-	0.00%	-
First Energy Private Limited (Consol.)	2.93%	113.45	(6.04%)	(27.20)	26.32%	0.05	(6.02%)	(27.15)
Enerxnt Private Limited	0.61%	23.61	0.01%	0.05	0.00%	-	0.01%	0.05
Thermax BioEnergy Solutions Private Limited	0.16%	6.10	0.26%	1.15	(15.79%)	(0.03)	0.25%	1.12
Foreign subsidiaries								
Thermax Engineering Singapore Pte. Ltd.	2.49%	96.34	(1.20%)	(5.40)	0.00%	-	(1.20%)	(5.40)
PT Thermax International Indonesia	1.58%	61.07	(2.26%)	(10.18)	0.00%	-	(2.26%)	(10.18)
Thermax Inc.	2.33%	90.36	2.46%	11.07	0.00%	-	2.46%	11.07
Thermax Europe Limited	1.73%	66.79	0.53%	2.37	0.00%	-	0.53%	2.37
Thermax Netherlands B.V.	0.59%	23.02	(0.17%)	(0.77)	0.00%	-	(0.17%)	(0.77)
Thermax Denmark ApS (Consol.)	0.95%	36.87	0.61%	2.76	1257.89%	2.39	1.14%	5.15
Thermax International Limited	0.14%	5.30	(0.04%)	(0.19)	0.00%	-	(0.04%)	(0.19)
Thermax Energy and Environment Lanka (Pvt) Limited	0.11%	4.35	0.00%	0.01	0.00%	-	0.00%	0.01

Name of the Entity	Net Assets (Total assets-total liabilities)		Share in Profit and Loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Rifox-Hans Richter GmbH Spezialarmaturen	0.32%	12.34	0.63%	2.84	0.00%	-	0.63%	2.84
Thermax Energy & Environment Philippines Corporation	0.14%	5.39	0.06%	0.25	0.00%	-	0.06%	0.25
Thermax Engineering Construction FZE	0.14%	5.42	0.11%	0.48	0.00%	-	0.11%	0.48
Thermax Sdn.Bhd	0.06%	2.43	0.15%	0.66	0.00%	-	0.15%	0.66
Thermax Nigeria Limited	0.21%	8.25	1.64%	7.37	0.00%	-	1.63%	7.37
Thermax do Brasil-Energia e Equipamentos Ltda.	0.02%	0.63	0.00%	0.01	0.00%	-	0.00%	0.01
Thermax International Tanzania Limited	0.43%	16.51	1.12%	5.03	0.00%	-	1.12%	5.03
Thermax (Thailand) Limited	0.12%	4.50	0.20%	0.89	0.00%	-	0.20%	0.89
Associates								
Covacsis Technologies Private Limited	0.00%	-	(0.04%)	(0.16)	(16.56%)	(0.03)	(0.04%)	(0.19)
Exactspace Technologies Private Limited	0.00%	-	(0.02%)	(0.07)	0.00%	-	(0.02%)	(0.07)
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	3.55%	137.34	1.98%	8.92	0.00%	-	1.98%	8.92
Consolidation Adjustments	(24.09%)	(932.48)	(4.96%)	(22.35)	7200.77%	13.68	(1.92%)	(8.67)
Total	100.00%	3,870.22	100.00%	450.70	100.00%	0.19	100.00%	450.89

As per our report of even date attached For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 10, 2024

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee
Chairperson
DIN: 00019581

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 10, 2024

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Janhavi Khele
Company Secretary

FORM AOC- I

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Part "A" : Subsidiaries

(Rs. in Crore)

Particulars	Reporting Period	Date of acquisition	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision for tax	Profit After Tax	Proposed Dividend	% of Share Holding	Reporting Currency	Exchange Rate as on 31 st March 2024
Thermax Sustainable Energy Solutions Ltd.	2023-24		4.75	(8.58)	0.24	4.07	-	-	-	-	-	-	100.00	INR	
Thermax Engineering Construction Co. Ltd.	2023-24		4.50	10.81	15.83	0.52	0.01	-	0.94	-	0.94	-	100.00	INR	
Thermax Instrumentation Ltd.	2023-24		9.00	41.25	117.50	67.26	12.23	119.01	16.52	5.01	11.51	4.50	100.00	INR	
Thermax Onsite Energy Solutions Ltd.	2023-24		108.28	107.85	453.94	237.81	72.52	432.33	34.99	9.05	25.94	-	100.00	INR	
First Energy Private Limited	2023-24	31-Aug-16	403.99	(65.52)	564.24	225.77	335.34	31.69	(14.00)	-	(14.00)	-	100.00	INR	
First Energy TN 1 Private Limited	2023-24		22.00	(1.78)	82.41	62.20	-	8.35	(0.22)	0.34	(0.56)	-	74.00	INR	
First Energy 2 Private Limited	2023-24		11.54	(1.07)	39.05	28.58	-	4.25	(0.43)	-	(0.43)	-	74.00	INR	
Jalansar Wind Energy Private Limited	2023-24	22-Jun-22	2.22	(0.28)	8.13	6.19	-	0.94	(0.10)	(0.02)	(0.08)	-	74.00	INR	
Kanakal Wind Energy Private Limited	2023-24	22-Jun-22	3.32	(0.30)	12.13	9.10	-	1.26	(0.09)	(0.03)	(0.05)	-	74.00	INR	
First Energy 3 Private Limited	2023-24		99.81	(11.06)	399.16	310.40	-	28.36	(8.38)	-	(8.38)	-	74.00	INR	
First Energy 4 Private Limited	2023-24		68.55	(7.44)	288.95	227.85	-	10.62	(6.26)	-	(6.26)	-	74.00	INR	
First Energy 5 Private Limited	2023-24		94.98	(1.50)	247.55	154.07	-	-	(0.27)	0.01	(0.28)	-	74.00	INR	
First Energy 6 Private Limited	2023-24		44.63	(1.22)	177.50	134.09	-	-	(0.78)	-	(0.78)	-	74.00	INR	
Thermax International Ltd. (Mauritius)	2023-24		28.71	(13.12)	19.61	4.02	7.51	-	9.07	0.27	8.80	-	100.00	USD	83.40
Thermax Europe Ltd. (U.K.)	2023-24		2.11	69.98	78.49	6.40	-	59.90	3.59	0.92	2.67	-	100.00	GBP	105.28
Thermax Inc. (U.S.A.)	2023-24		4.17	97.50	143.22	41.55	-	192.85	12.94	3.07	9.87	-	100.00	USD	83.40
Thermax do Brasil Energia e Equipamentos Ltda. (Brazil)	2023-24		1.81	(0.92)	0.96	0.07	-	0.43	0.25	-	0.25	-	100.00	Brazilian Real	16.63
Thermax Denmark ApS.	2023-24		156.88	(87.97)	121.76	52.86	-	-	25.86	(0.56)	26.42	-	100.00	DKK	12.07
Thermax Netherlands BV.	2023-24		291.84	(260.49)	31.68	0.32	29.23	-	(0.70)	-	(0.70)	-	100.00	EUR	90.05
Danstoker A/S	2023-24	1-Oct-10	12.07	69.27	201.41	120.07	-	295.84	33.28	5.85	27.44	-	100.00	DKK	12.07
Ejendomsanp-artselskabet Industrivej Nord 13	2023-24	1-Oct-10	0.24	38.62	54.55	15.57	-	3.04	2.47	0.56	1.91	-	100.00	DKK	12.07
Boilerworks A/S	2023-24		0.60	(6.64)	3.86	9.90	-	-	(0.67)	(0.11)	(0.56)	-	100.00	DKK	12.07
Rifox-Hans Richter GmbH Spezialarmaturen	2023-24	1-Apr-12	6.45	8.40	19.40	4.54	-	35.95	3.46	1.09	2.37	-	100.00	EUR	90.05
Thermax SDN.BHD	2023-24		0.88	1.56	4.11	1.67	-	6.03	0.24	0.09	0.15	-	100.00	Malaysian Ringet	17.65
Thermax Engineering Singapore Pte. Ltd	2023-24		229.22	(140.45)	89.60	0.83	85.76	-	(68.46)	0.14	(68.60)	-	100.00	USD	83.40
PT Thermax International Indonesia	2023-24		186.15	(107.59)	140.28	61.71	-	80.80	(23.16)	-	(23.16)	-	100.00	Indonesian Rupiah	0.0053
Thermax Energy and Environment Philippines Corporation	2023-24		7.27	(1.69)	6.06	0.48	-	2.50	0.36	0.07	0.29	-	100.00	PHP	1.48
Thermax Nigeria Limited	2023-24		0.32	14.23	22.41	7.87	-	26.76	26.57	8.72	17.85	-	100.00	NGN	0.06
Thermax Energy and Environment Lanka (pvt) Limited	2023-24	8-Aug-17	31.48	(0.50)	32.16	1.17	-	0.57	(1.35)	(0.41)	(0.94)	-	100.00	LKR	0.28

(Rs. in Crore)

Particulars	Reporting Period	Date of acquisition	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision for tax	Profit After Tax	Proposed Dividend	% of Share Holding	Reporting Currency	Exchange Rate as on 31 st March 2024
Thermax Babcock & Wilcox Energy Solutions Ltd	2023-24		628.22	197.97	2,061.28	1,235.09	408.12	2,251.90	180.78	48.42	132.36	-	100.00	INR	
Thermax Cooling Solutions Limited	2023-24		10.00	(10.05)	0.12	0.17	-	-	(0.03)	-	(0.03)	-	100.00	INR	
Thermax Engineering Construction FZE	2023-24		0.01	18.69	21.05	2.35	-	18.72	13.10	-	13.10	-	100.00	USD	83.40
Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	2023-24	4-May-17	39.56	(19.88)	73.46	53.79	-	-	-	-	-	-	100.00	PLN	20.93
Thermax (Thailand) Limited	2023-24		3.44	1.86	6.45	1.16	-	14.89	1.31	0.28	1.03	-	100.00	THB	2.29
Enermt Pvt. Ltd	2023-24		23.63	(0.10)	39.36	15.82	0.05	-	(0.08)	-	(0.08)	-	100.00	INR	
Thermax International Tanzania Limited	2023-24		1.94	8.25	13.28	3.09	-	19.88	6.56	2.04	4.52	-	100.00	USD	83.40
Thermax BioEnergy Solutions Private Limited	2023-24		5.00	(16.24)	184.70	195.94	13.16	264.60	(17.12)	0.11	(17.23)	-	65.00	INR	
First Energy 7 Private Limited	2023-24		18.82	(0.25)	32.81	14.24	-	-	(0.03)	-	(0.03)	-	71.00	INR	
First Energy 8 Private Limited	2023-24		65.36	(1.48)	66.69	2.81	-	-	(0.22)	-	(0.22)	-	100.00	INR	
First Energy Nine Private Limited	2023-24		0.01	(0.00)	0.04	0.03	-	-	(0.00)	-	(0.00)	-	100.00	INR	
First Energy 10 Private Limited	2023-24		-	-	-	-	-	-	-	-	-	-	100.00	INR	

Notes:

- The annual accounts of the above Subsidiary Companies are open for inspection by any investor at the Company's Corporate Office and the Registered Office of the respective subsidiary companies;
- Thermax Sustainable Energy Solutions Ltd. has been closed on April 25, 2023;
- Balance sheet figures of foreign subsidiaries are converted at an exchange rate prevailing on closing day of the financial year of the subsidiary for the purpose of this statement;
- Statement of Profit and Loss figures of foreign subsidiaries are converted at an average exchange rate of the subsidiary for the purpose of this statement.
- First Energy 10 Private Limited is incorporated in FY 2023-24, but the subsidiary has not started operations during the current financial year.

Part "B" : Associates

Statement pursuant to section 129(3) of the companies Act 2013 related to Associate companies

(Rs. in Crore)

Name of the Associate	Latest audited balance sheet date	Date on which the Associate was associated	Shares of Associates held by the Company on the year end (No. of shares)	% of Share Holding	Description of how there is significant influence	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year		
								Considered in consolidation	Not considered in consolidation	
Exactspace Technologies Private Limited	31-Mar-24	25-Jan-22		1,921	15.17	Equity holding	Not Applicable	0.96	(0.52)	(4.25)
Covaxis Technologies Private Limited	31-Mar-24	22-Jul-22		43,192	16.67	Equity holding	Not Applicable	0.90	(0.30)	(1.49)

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Thermax Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that

the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 30(A)(c) of the standalone financial statements relating to the Arbitral Award against the Company for claims of Rs. 218.45 Crore by the Arbitral Tribunal under a contract with customer for dispute and related provisions. The Company has made a provision of Rs. 50.63 Crore and for the balance amount, no provision has been considered necessary. The Company has received stay of operation and execution of the Arbitral Award by the High Court of Bombay after depositing an amount of Rs. 218.45 Crore. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
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A) Accounting for Revenue from Contracts with Customers (as described in Note 21 of the Standalone financial statements)

The Company's revenue comprises of revenue generated from sale of industrial products as well as from Engineering, Procurement and Construction (EPC) contracts. The total revenues for the year amounted to Rs. 5,782.59 Crore.

Revenues are recognised under Ind AS 115, Revenue from Contracts with Customers basis the nature and type of the contracts. We consider accounting of revenue contracts to be an area posing a significant risk of material misstatement and accordingly a key audit matter as due to the varied nature of the contracts, identification of contractual obligations, point of time for transfer of control, significant judgements involved in determining the contract costs (including costs incurred to date and estimated total cost), rights to receive payments including those for performance completed till date and recognition for loss making contracts/ onerous obligations. Revenue and profits for the year may deviate significantly on account of changes in the above judgements and estimates.

Our audit procedures included the following:

- We understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition for revenue contracts and evaluated the design and operative effectiveness of the financial controls from the above through our test of control procedures.
- We obtained and read the terms of sample revenue contracts to evaluate the management's process to assess nature of contractual performance obligations, the point of time for transfer of control to customer and other relevant terms necessary for revenue recognition.
- We tested revenue, on sample basis, recorded during the period closer to year-end by testing the supporting documentation.
- We performed analytical procedures and conducted inquiries with senior management about any unusual trends of revenue recognition.
- For EPC contracts, on sample basis, we performed the following procedures among others:
 - Provision for liquidated damages and claims: Discussed with management and project teams to understand the status of the project and likelihood of customers imposing any contractual penalties through inspection of the relevant documents and correspondences.
 - Contingency provisions: Understood the management's estimate and rationale for the contingency provision movement during the year. We analysed the movement throughout the life of the contract and discussed progress to date with project teams to determine whether the remaining contingency provision is sufficient coverage for the residual risks identified for those projects.
 - Assessment of costs-to-complete: Performed procedures on balance cost estimation, tested the historical accuracy of previous forecasts and discussed variances with project teams, tested that the costs incurred were accrued at year-end and tested the significant assumptions for balance costs-to-complete.

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> Performed analytical procedures and checked exceptions for contracts with low or negative margins, loss making contracts/ onerous contracts, contracts with significant changes in cost estimates and significant overdue net receivable positions for contracts with marginal or no movement to determine the level of provisioning required. We read and tested the presentation and disclosure in the standalone financial statements are in accordance with applicable accounting standards.

B) Impairment of Investments in Subsidiaries
(as described in Note 5(a) and 40 of the Standalone financial statements)

<p>During the year, impairment indicators were identified by the management for investments in certain subsidiaries. Management's assessment for impairment of investments in subsidiaries requires estimation and judgement around assumptions used, including the recoverable value of underlying tangible assets. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and also potential reversals of impairment taken in prior years. Accordingly, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We understood the management's process of evaluating the triggers for impairment, forecasting the future cash flows, evaluation of assumptions and comparison of estimates to externally available industry, economic and financial data, wherever available and necessary. We assessed that the methodology used by management to estimate the recoverable value of each investment is consistent with accounting standards. We assessed the assumptions used by the management to determine the recoverable amount of the investment in subsidiaries. We compared the carrying values of the Company's investment in these subsidiaries to their respective financial statements which were available with their respective net asset values and discussed with management about their performance and future outlook. We involved valuation experts to assist in evaluating the valuation methodology, identifying and testing key assumptions and estimates to test the reasonableness of key assumptions used in preparing the cash flow forecasts, wherever required. We considered the potential impact of reasonably possible downside changes in these key assumptions as part of sensitivity analysis. We read and assessed the presentation and disclosure of such impairment in the standalone financial statements.
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We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Business Responsibility Report, Sustainability Report and Director's Report of the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged With Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with Those Charged With Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged With Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged With Governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that back-up of books and records (i.e., employee reimbursement system) maintained in electronic mode has not been maintained on servers physically located in India on a daily basis as mentioned in Note 43(A) of the standalone financial statements and except for the matters stated in the paragraph 2 (j) (vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) The matters against the Company described in 'Emphasis of Matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164 (2) of the Act;

- (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this Report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under section 143(3)(b) and paragraph 2 (j) (vi) below on reporting under Rule 11(g);
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 30(A) to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 9(b) to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 31(B) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement;
 - v.
 - a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;
 - b) As stated in Note 15(b) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the

year which is subject to approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with accordance with section 123 of the Act to the extent it applies to declaration of dividend; and

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain master data and direct changes to data when using certain

access rights, as described in Note 43(B) to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software.

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vaibhav Kumar Gupta

Partner
Membership Number: 213935
UDIN: 24213935BKENG6639

Place: Pune
Date: May 10, 2024

Annexure 1 as referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date

Re: Thermax Limited (“the Company”)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets during the year ended March 31, 2024.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as on March 31, 2024 and no discrepancies were noticed. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such physical verification and confirmations.
 - (b) As disclosed in Note 20 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. 5 Crore in aggregate from banks and/ or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns/ statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of account of the Company.
- (iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms, Limited Liability Partnership or any other parties as follows:

	Guarantees	Security	Loans	Advances in nature of loans
(Amount in Crore)				
Aggregate amount granted/ provided during the year				
- Subsidiaries	86.13	561.86	552.02	Nil
- Joint Ventures	Nil	Nil	Nil	Nil
- Associates	Nil	Nil	Nil	Nil
- Others	Nil	Nil	Nil	Nil
Balance outstanding as at balance sheet date in respect of above cases*				
- Subsidiaries	62.17	292.47	185.47	Nil
- Joint Ventures	Nil	Nil	Nil	Nil
- Associates	Nil	Nil	Nil	Nil
- Others	Nil	Nil	0.94	Nil

*Excluding interest accrued but not due

Also refer note 31(A) for details of non-funding facilities issued to subsidiaries



- (b) During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships, or any other parties are not prejudicial to the Company's interest.
- (c) The Company has granted loans during the year to companies, firms, Limited Liability Partnerships, or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties, which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ("the Act") are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which

are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture or service of 'inorganic chemical, organic or inorganic compounds of precious metals, rare-earth metals of radioactive elements or isotopes, and organic chemicals', 'plastic and polymers', 'other machinery' and 'electricals or electronic machinery', and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Disputed dues, not deposited** (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	[net of deposit Rs. 1.59]	FY 1997-98	High Court, Mumbai
		Rs. 0.78 [net of deposit Rs. 0.06]	FY 2015-16 and FY 2020-21	Appellate Tribunal, Pune
Income Tax Act, 1961	Income Tax	Rs. 3.36 [net of advance Rs. 13.54]	AY 2002-03, AY 2005-06 to 2009-10	High Court, Mumbai
		Rs. 18.23 [net of advance Rs. 31.77]	AY 2017-18 and AY 2018-19 to AY 2021-22	Commissioner of Income Tax (Appeals), Pune
Central Sales Tax and Local Sales Tax	Sales Tax and Value Added Tax	Rs. 0.09 [net of deposit Rs. Nil]	FY 2000-01 and FY 2001-02	High Court, Mumbai
		Rs. 0.10 [net of deposit Rs. Nil]		High Court, Madras
Finance Act, 1994	Service Tax	Rs. 9.57 [net of deposit Rs. Nil]	FY 2003-04, 2006-07, 2007-08, 2009-10, 2010-11, 2016-17	Appellate Tribunal (Various)
		Rs. 6.77 [net of deposit Rs. 0.44]	FY 2004-05, 2006-07, 2010-11 to 2017-18	Appellate Authority upto Commissioner Level
		Rs. 1.30 [net of deposit Rs. 0.14]	FY 2017-18	Appellate Tribunal, Pune
Customs Act, 1962	Custom Duty	[net of deposit Rs. 0.28]	FY 2005-06	Supreme Court, New Delhi
		Rs. 0.18 [net of deposit Rs. 0.02]	FY 2005-06	Appellate Authority upto Commissioner Level
Goods and Services Tax Act, 2017	Goods and Services Tax	Rs. 9.89 [net of deposit Rs. 1.12]	FY 2017-18 and 2018-19	Appellate Authority upto Commissioner Level

*Net of advances/ deposits paid under protest
 **Excluding the interest and penalty thereon

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Pending final outcome of the matter stated in Note 44 in the standalone financial statements, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Pending final outcome of the matter stated in Note 44 in the standalone financial statements, we have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The Company follows a July to June internal audit cycle and accordingly the internal audit reports of the Company for the period under audit and issued till the date of our audit report, have been considered by us. As informed to us, the internal audit for remaining areas / scope is expected to be completed post issuance of our audit report on these standalone financial statements.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group has one Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 36 to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance

- that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in Note 27(c) to the standalone financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Act. This matter has been disclosed in Note 27(c) to the standalone financial statements.
- (xxi) The requirement of Clause 3(xxi) of the Order is not applicable to the standalone financial statements. As regards, remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the Consolidated financial statements, refer the Independent Auditor's Report on consolidated financial statements.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 24213935BKENG6639

Place: Pune
Date: May 10, 2024

Annexure 2 as referred to in paragraph 2(g) under heading “Report on Other Legal and Regulatory Requirements” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Thermax Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of Thermax Limited (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

A company’s internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vaibhav Kumar Gupta

Partner
Membership Number: 213935
UDIN: 24213935BKENG6639

Place: Pune
Date: May 10, 2024

STANDALONE BALANCE SHEET

as at March 31, 2024

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

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
I. Non-current assets			
Property, plant and equipment	4 (a)	661.26	625.83
Capital work-in-progress	4 (b)	107.23	44.91
Right-of-use assets	4 (c)	66.55	67.04
Intangible assets	4 (d)	21.70	20.93
Intangible assets under development	4 (d)	4.38	-
Investments in subsidiaries	5 (a)	1,024.88	780.21
Investments in associates	5 (b)	20.00	16.50
Financial assets:			
(a) Investments	6 (a)	382.58	289.30
(b) Trade receivables	7 (a)	140.08	112.94
(c) Loans	8 (a)	7.98	2.68
(d) Other assets	9 (a)	8.52	10.16
Deferred tax assets (net)	10	52.49	47.86
Income tax assets (net)		151.01	172.18
Other assets	11 (a)	53.27	50.53
Total non-current assets		2,701.93	2,241.07
II. Current assets			
Inventories	12	397.33	390.78
Financial assets:			
(a) Investments	6 (b)	965.79	1,183.88
(b) Trade receivables	7 (b)	1,501.64	1,210.22
(c) Cash and cash equivalents	13 (a)	263.62	120.82
(d) Bank balances other than (c) above	13 (b)	83.14	287.66
(e) Loans	8 (b)	183.80	171.87
(f) Other assets	9 (b)	139.39	216.48
Other assets	11 (b)	510.73	322.00
Total current assets		4,045.44	3,903.71
III. Assets classified as held for sale			
Total assets	41	6,747.37	6,151.31
Equity and liabilities			
IV. Equity			
Equity share capital	14	23.83	23.83
Other equity	15	3,512.87	3,193.93
Total equity		3,536.70	3,217.76
V. Non-current liabilities			
Financial liabilities:			
(a) Lease liabilities	30 (c)	4.29	2.51
(b) Trade payables			
Total outstanding dues of micro and small enterprises	16 (a)	-	-
Total outstanding dues of creditors other than micro and small enterprises	16 (a)	43.83	34.45
Provisions	18 (a)	26.15	24.08
Total non-current liabilities		74.27	61.04
VI. Current liabilities			
Financial liabilities:			
(a) Borrowings	20	307.80	220.00
(b) Lease liabilities	30 (c)	1.59	1.66
(c) Trade payables			
Total outstanding dues of micro and small enterprises	16 (b)	451.10	347.28
Total outstanding dues of creditors other than micro and small enterprises	16 (b)	621.73	690.80
(d) Other liabilities	17 (a)	111.18	88.65
Provisions	18 (b)	194.28	111.58
Income tax liabilities (net)		20.06	18.49
Other liabilities	19 (a)	1,428.66	1,394.05
Total current liabilities		3,136.40	2,872.51
Total equity and liabilities		6,747.37	6,151.31
Summary of material accounting policies	2		
Summary of significant accounting estimates and judgements	3		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee
Chairperson
DIN: 00019581

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Janhavi Khele
Company Secretary

Place: Pune
Date: May 10, 2024

Place: Pune
Date: May 10, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

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

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	21	5,821.93	5,141.16
Other income	22	193.49	136.34
Total income (I)		6,015.42	5,277.50
Expenses			
Cost of raw materials and components consumed	23	3,115.66	2,848.01
Purchase of traded goods		161.49	143.29
(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods	24	10.69	(12.29)
Employee benefits expense	25	683.61	564.40
Finance cost	26	23.84	19.58
Depreciation and amortisation expenses	4 (e)	72.74	73.15
Other expenses	27 (a)	1,369.41	1,217.07
Total expenses (II)		5,437.44	4,853.21
Profit before exceptional items and tax (III) = (I-II)		577.98	424.29
Exceptional items [Gain/(Loss)] (IV)	40	2.08	7.20
Profit before tax (V) = (III - IV)		580.06	431.49
Tax expenses			
Current tax		145.83	98.91
Deferred tax (net)		(3.21)	3.32
Total tax expenses (VI)		142.62	102.23
Profit for the year (VII) = (V - VI)		437.44	329.26
Other comprehensive income (OCI)			
A. Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain/(loss) of defined benefit plan	29	(4.72)	(10.68)
Less: Income tax effect		1.19	2.69
		(3.53)	(7.99)
B. Items that will be reclassified subsequently to profit or loss			
Net gain/(loss) on cash flow hedge	29	(0.91)	0.28
Less: Income tax effect		0.23	(0.07)
		(0.68)	0.21
Net other comprehensive income for the year (net of tax)		(4.21)	(7.78)
Total comprehensive income for the year		433.23	321.48
Earning per equity share [Nominal value per share Rs. 2/- each (March 31, 2023: Rs. 2/-)]	28		
Basic		36.71	27.63
Diluted		36.71	27.63
Summary of material accounting policies	2		
Summary of significant accounting estimates and judgements	3		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For S R B C & CO LLP
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For and on behalf of the Board of Directors of Thermax Limited

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DIN: 05291138

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Janhavi Khele
Company Secretary

Place: Pune
Date: May 10, 2024

Place: Pune
Date: May 10, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

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

A Equity Share Capital[^]

	Note	No. of Shares	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	14	119,156,300	23.83	23.83
Changes in equity shares capital during the year	14	-	-	-
Balance at the end of the year	14	119,156,300	23.83	23.83

B Other Equity[^] (Refer note 15)

Description	Reserves and Surplus							Other reserves	Total other equity
	General reserve	Share based payment reserve	Capital reserve	Capital redemption reserve	Retained earnings	Securities premium	Total reserves and surplus		
As at April 1, 2023	429.14	2.52	1.92	50.34	2,648.50	61.13	3,193.55	0.38	3,193.93
Profit for the year	-	-	-	-	437.44	-	437.44	-	437.44
Other Comprehensive Income (net)	-	-	-	-	(3.53)	-	(3.53)	(0.68)	(4.21)
Total comprehensive income	-	-	-	-	433.91	-	433.91	(0.68)	433.23
Dividends paid	-	-	-	-	(119.16)	-	(119.16)	-	(119.16)
Share based payments	-	4.87	-	-	-	-	4.87	-	4.87
Exercise of share options	-	(1.42)	-	-	-	1.42	-	-	-
As at March 31, 2024	429.14	5.97	1.92	50.34	2,963.25	62.55	3,513.17	(0.30)	3,512.87
As at April 1, 2022	429.14	-	1.92	50.34	2,434.47	61.13	2,977.00	0.17	2,977.17
Profit for the year	-	-	-	-	329.26	-	329.26	-	329.26
Other Comprehensive Income (net)	-	-	-	-	(7.99)	-	(7.99)	0.21	(7.78)
Total comprehensive income	-	-	-	-	321.27	-	321.27	0.21	321.48
Dividends paid	-	-	-	-	(107.24)	-	(107.24)	-	(107.24)
Share based payments	-	2.52	-	-	-	-	2.52	-	2.52
As at March 31, 2023	429.14	2.52	1.92	50.34	2,648.50	61.13	3,193.55	0.38	3,193.93

[^]There are no adjustments on account of prior period errors or due to changes in accounting policies.

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 10, 2024

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee
Chairperson
DIN: 00019581

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 10, 2024

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Janhavi Khele
Company Secretary



STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2024

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

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
A) Cash flows from operating activities			
Profit before tax (after exceptional item)		580.06	431.49
Adjustments to reconcile profit before tax to net cash flows			
Depreciation/amortisation on property, plant and equipment, right-of-use assets and intangible assets	4 (e)	72.74	73.15
Provision for impairment allowance of financial assets (net)	27 (a)	39.14	29.91
Provision for advances (net)	27 (a)	(2.69)	2.92
Provision/(reversal) on account of impairment of investments in subsidiaries	40	73.41	(7.20)
Gain on sale of property, plant and equipment	40	(126.12)	-
Provision related to litigation	40	50.63	-
Interest expenses	26	18.06	13.04
Unwinding of discount on provisions	26	5.78	6.54
Unrealised foreign exchange (gain)/loss		1.16	(1.88)
Interest income	22	(67.42)	(52.48)
Dividend income	22	(4.50)	(7.09)
Liabilities no longer required written back	22	(9.78)	(9.89)
Fair value gain on financial instrument at fair value through profit and loss (net)	22	(69.58)	(40.04)
Loss on sale/discard of assets (net)	27 (a)	0.35	3.53
Share based payment expenses	25	3.94	2.05
Working capital adjustments			
(Increase)/decrease in trade receivables		(358.35)	(223.52)
(Increase)/decrease in inventories		(6.55)	(20.43)
(Increase)/decrease in other financial assets		77.82	(43.75)
(Increase)/decrease in other assets		(186.62)	(80.23)
(Decrease)/increase in trade payables		53.87	46.93
(Decrease)/increase in other liabilities		20.41	417.68
(Decrease)/increase in provisions		28.36	(16.53)
(Decrease)/increase in other financial liabilities		19.76	14.88
Cash generated from operations		213.88	539.08
Direct taxes paid (net of refunds received)		(123.09)	(120.40)
Net cash flows from operating activities		90.79	418.68
B) Cash flows from/(used in) investing activities			
Purchase of property, plant and equipment, right-of-use assets and intangible assets		(151.37)	(51.07)
Sale of property, plant and equipment, right-of-use assets and intangible assets		121.80	1.85
Investment in subsidiaries		(317.15)	(89.68)
Investment in associates		(3.50)	(10.00)
Loans given to subsidiaries		(552.02)	(341.00)
Loans repaid by subsidiaries		536.30	172.51
Investment in fixed deposits		(200.00)	(585.25)
Redemption of fixed deposits		624.69	513.53
Purchase of investments		(2,537.77)	(2,214.86)
Proceeds from sale of investments		2,505.61	2,229.99
Interest received		72.30	29.26
Dividend received		4.50	7.09
Net cash flows from/(used in) investing activities		103.39	(337.63)

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2024

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

Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
C) Cash flows from/(used in) financing activities		
Proceeds from borrowings	449.80	220.00
Repayment of borrowings	(362.00)	(180.00)
Interest paid	(18.06)	(13.04)
Dividend paid	(119.32)	(107.33)
Payment of lease liability	(1.80)	(1.12)
Net cash flows (used in) financing activities	(51.38)	(81.49)
Net increase/(decrease) in cash and cash equivalents	142.80	(0.44)
Cash and cash equivalents at the beginning of the year	120.82	121.26
Cash and cash equivalents at the end of the year	263.62	120.82

Reconciliation of cash and cash equivalents as per the cash flow statement:

Note	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	263.62	120.82
Balances as per cash flow statement	263.62	120.82

As per our report of even date attached For S R B C & CO LLP

Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

per Vaibhav Kumar Gupta

Partner
Membership No. 213935

Place: Pune
Date: May 10, 2024

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee

Chairperson
DIN: 00019581

Rajendran Arunachalam

Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 10, 2024

Ashish Bhandari

Managing Director and CEO
DIN: 05291138

Janhavi Khele

Company Secretary

1 Corporate Information

Thermax Limited ('the Company'), is a leading energy and environment solutions provider headquartered in Pune, India. Its business portfolio includes:

- **Industrial Products** - Boilers & Heating equipment (small capacity), Absorption Chillers/Heat Pumps, Air Pollution Control Equipment/Systems, Water & Waste Recycle Equipment/Systems and engineering, procurement and construction (EPC);
- **Industrial Infra** - EPC of Power Plants, Boiler & Heater (high capacity) plants, Infra projects, Flue Gas Desulphurisation projects including associated services; and
- **Chemicals** - Ion Exchange Resins, Performance Chemicals, Construction Chemicals, Water Treatment Chemicals, Oil Field Chemicals, Paper Chemicals and Construction Chemicals and related services.

The Company is a public limited company incorporated under the provisions of the Companies Act, 2013 (the 'Act') and domiciled in India. It is listed on the BSE Limited (BSE) and National Stock Exchange Limited (NSE) in India. The address of its registered office is D-13, MIDC Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411019, India. The Board of Directors have approved to issue these standalone financial statements on May 10, 2024. The CIN of the Company is L29299PN1980PLC022787.

2 Material Accounting Policies

2.1 Basis of preparation and measurement

a. Basis of preparation

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time)

and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Sch III) as applicable to the standalone financial statements.

The preparation of the standalone financial statements requires the use of certain critical accounting judgements, estimates and assumptions. It also requires the management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the standalone financial statements are disclosed in note 3.

The employee welfare trusts (including an ESOP trust) being separate legal entities, are not considered for the purpose of consolidation in the standalone financial statements. However, these trusts have been consolidated in the consolidated financial statements under Ind AS 110 - "Consolidated Financial Statements".

The accounting policies adopted for preparation and presentation of these standalone financial statements have been consistently applied except for changes resulting from amendments to Ind AS issued by the Ministry of Corporate Affairs, effective for financial years beginning on or after April 1, 2023 as disclosed in note 2.3.

b. Basis of measurement

The standalone financial statements have been prepared on the accrual and going concern basis under historical cost convention except the following:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans whereby the plan assets are measured at fair value.

2.2 Summary of material accounting policies

a. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's standalone financial statements are prepared in INR, which is also the functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;**
- **Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;**
- **Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.**

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- **Quantitative disclosures of fair value measurement hierarchy (Refer note 34);**
- **Financial instruments (including those carried at amortised cost) (Refer note 34).**

For assets and liabilities that are recognised in the standalone financial statements on a

recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of assumption is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 34 for further disclosures.

d. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. For all subsequent measurements financial assets are classified in following categories by the Company:

(i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in income in the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit and loss.

(ii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI is classified as FVTPL (Refer note 6).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

(iii) Equity investments

All equity investments in scope of Ind AS 109 - "Financial Instruments", are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are provided in the following notes:

- **Trade receivables** - Refer note 7;
- **Loans** - Refer note 8;
- **Contract assets and other financial assets** - Refer note 9.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement of financial liabilities depends on their classification as fair value through profit and loss or at amortised cost.

All changes in fair value of financial liabilities classified as FVTPL is recognised in the Statement of profit and loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the EIR method. Gains and

losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part on EIR. The EIR amortisation is included as finance cost in the Statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

e. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as "Cash flow hedges" when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated Hedges that meet the strict criteria for hedge accounting are accounted for, as cash flow hedge.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective

portion is recognised immediately in the Statement of profit and loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in statement of profit and loss.

Amounts recognised in OCI are transferred to the Statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

f. Employee stock option and share based payments

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the Company recognises employee compensation expense, using the grant date fair value in accordance with Ind AS 102 - "Share Based Payment (SBP)", on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. Employees (senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

The Company initially measures the cost of transactions with employees using a Black Scholes Options Pricing model to determine the fair value of the liability incurred.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model and the performance of the Company, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 38.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 1, 2023. The Company applied these amendments for the first-time.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at April 1, 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS.

2.4 Climate-related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.

3 Significant Accounting Estimates and Judgements

In the application of the Company's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving significant estimates or judgements are:

- Estimations used for fair value measurement (Refer note 2.2.c);
- Estimations used for impairment of financial assets and liabilities (Refer note 2.2.d);
- Estimates and assumptions related to useful lives and impairment of Property, Plant and Equipment (PPE) (Refer note 4);
- Estimates and assumptions for income taxes (Refer note 10);
- Estimates and assumptions related to provisions (Refer note 18);
- Estimates, judgments and assumptions used for revenue from operations (Refer note 21);
- Estimates and judgements used for contingent liabilities, commitments and leasing arrangements (Refer note 30);
- Judgements related to segment reporting (Refer note 33).

4 Property, Plant and Equipment (PPE)

Accounting policy

Property, plant and equipment (PPE) are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any. All significant costs relating to the acquisition and installation of PPE are capitalised. Subsequent costs/replacement costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are charged to the Statement of profit and loss during the financial year in which they are incurred.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation on PPE is calculated on a straight line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain classes of assets. The following useful lives are adopted by the management:

Assets category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Factory buildings	15 to 30	30
Other buildings	15 to 58	60
Plant and equipment	3 to 25	15 to 20
Roads	5 to 30	5 to 10
Office equipment	15	15
Furniture and fixtures	15	10
Computers and data processing units	4 to 6	3 to 6
Vehicles	5 to 8	8

The residual values, useful lives and method of depreciation of PPE are reviewed on a regular basis and changes in estimates, when relevant, are accounted for on a prospective basis.

Estimates and assumptions:

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives periodically and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of PPE

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the Statement of profit or loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of

the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase, if applicable.

Estimates and assumptions

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs

of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years as approved by the Management and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the terminal growth rate used.

(a) Property, Plant and Equipment

Description	Freehold land	Buildings	Plant and equipment	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work-in-progress#
Gross carrying amount as at April 1, 2022*	7.57	481.88	505.66	22.12	56.17	30.42	13.82	1,117.64	14.97
Additions	-	2.96	23.31	1.32	13.14	0.95	4.08	45.76	75.70
Disposals	-	(0.48)	(25.17)	(0.76)	(4.84)	(0.96)	(2.80)	(35.01)	(45.76)
Transfer to held for sale	(0.36)	(12.35)	(0.49)	-	-	-	-	(13.20)	-
Gross carrying amount as at March 31, 2023	7.21	472.01	503.31	22.68	64.47	30.41	15.10	1,115.19	44.91
Additions	-	23.36	54.32	1.50	9.53	2.47	7.84	99.02	161.34
Disposals	-	(0.15)	(2.29)	(1.10)	(1.73)	(0.77)	(3.94)	(9.98)	(99.02)
Gross carrying amount as at March 31, 2024	7.21	495.22	555.34	23.08	72.27	32.11	19.00	1,204.23	107.23
Accumulated depreciation as at April 1, 2022*	-	136.18	259.60	11.66	36.28	17.62	6.39	467.73	-
Charge for the year	-	15.27	30.38	1.48	7.20	1.90	2.46	58.69	-
Disposals	-	(0.29)	(23.93)	(0.63)	(2.95)	(0.67)	(1.92)	(30.39)	-
Transfer to held for sale	-	(6.56)	(0.11)	-	-	-	-	(6.67)	-
Accumulated depreciation as at March 31, 2023	-	144.60	265.94	12.51	40.53	18.85	6.93	489.36	-
Charge for the year	-	15.42	30.93	1.68	7.64	1.42	3.03	60.12	-
Disposals	-	(0.15)	(1.47)	(0.66)	(0.68)	(0.62)	(2.93)	(6.51)	-

Description	Freehold land	Buildings	Plant and equipment	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work-in-progress [#]
Accumulated depreciation as at March 31, 2024	-	159.87	295.40	13.53	47.49	19.65	7.03	542.97	-
Net block as at March 31, 2024	7.21	335.35	259.94	9.55	24.78	12.46	11.97	661.26	107.23
Net block as at March 31, 2023	7.21	327.41	237.37	10.17	23.94	11.56	8.17	625.83	44.91

*The Company had elected to continue with the carrying value of property, plant and equipment and intangible assets as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition to Ind AS (i.e. April 1, 2015). The Company has disclosed the gross block and accumulated depreciation above, for information purpose only.

The Company has given certain part of its office building on lease to group companies, the value of the same cannot be determined and the amounts are not significant (Refer note 30 c).

[#]Capital work in progress majorly includes expenditure towards extension of manufacturing facilities.

(b) Capital Work-in-Progress ('CWIP')

Accounting policy

The Company recognises capital work in progress at cost, net of accumulated impairment loss, if any.

Ageing of CWIP*:

Description		Amount in CWIP for a period of			Total CWIP
		Less than 1 year	1-2 years	2-3 years	
Project in progress	March 31, 2024	96.91	9.26	1.06	107.23
	March 31, 2023	42.80	2.11	-	44.91
Projects temporarily suspended	March 31, 2024	-	-	-	-
	March 31, 2023	-	-	-	-
Total Capital work-in-progress	March 31, 2024	96.91	9.26	1.06	107.23
	March 31, 2023	42.80	2.11	-	44.91

*For CWIP, there are no projects except mentioned below whose completion date is overdue or exceeded its cost as compared to its original plan for the year ended and as at March 31, 2024 and March 31, 2023.

Plant and equipment for manufacturing facility is overdue for pending trials [2-3 years - Rs. 1.06 (March 31, 2023 Rs. Nil)] and is expected to complete the same by FY 25.

(c) Right-of-Use (ROU) Assets

Accounting policy

The Company recognises ROU assets at cost at the commencement date of the lease. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. After the commencement date, ROU assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated remaining useful lives of the assets, as follows:

Assets category	Company's estimate of useful life (years)
Leasehold Land	1 to 99
Buildings	5 to 58
Vehicles	5 to 8

Description	Leasehold Land*	Building	Vehicles	Total ROU
Gross carrying amount as at April 1, 2022	70.86	7.39	0.91	79.16
Additions	-	-	-	-
Disposals	-	-	-	-
Gross carrying amount as at March 31, 2023	70.86	7.39	0.91	79.16
Additions	-	6.70	-	6.70
Disposals	(1.64)	(6.73)	-	(8.37)
Gross carrying amount as at March 31, 2024	69.22	7.36	0.91	77.49
Accumulated depreciation as at April 1, 2022	7.06	2.52	0.91	10.49
Charge for the year	0.59	1.04	-	1.63
Disposals	-	-	-	-
Accumulated depreciation as at March 31, 2023	7.65	3.56	0.91	12.12
Charge for the year	0.97	1.30	-	2.27
Disposals	(0.21)	(3.24)	-	(3.45)
Accumulated depreciation as at March 31, 2024	8.41	1.62	0.91	10.94
Net block as at March 31, 2024	60.81	5.74	-	66.55
Net block as at March 31, 2023	63.21	3.83	-	67.04

* The Company has taken certain assets on lease which has been accounted in accordance with Ind AS 116 - "Leases" under right of use assets. Refer note 30C for further disclosure on leases.

(d) Intangible Assets

Accounting policy

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss when the asset is derecognised.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life subject to a maximum of ten years. Amortisation is recognised in the Statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

A summary of amortisation rates applied to the Company's intangible assets are as below:

Assets category	Life (years)
Technical know-how	3 to 6
Computer software	3 to 10

Description	Computer software	Technical know-how [#]	Total intangible assets	Intangible assets under development [^]
Gross carrying amount as at April 1, 2022*	72.63	69.42	142.05	-
Additions	6.99	-	6.99	-
Disposals	(3.70)	-	(3.70)	-
Gross carrying amount as at March 31, 2023	75.92	69.42	145.34	-
Additions	11.35	-	11.35	4.38
Disposals	(13.56)	-	(13.56)	-
Gross carrying amount as at March 31, 2024	73.71	69.42	143.13	4.38
Accumulated amortisation as at April 1, 2022	54.42	60.10	114.52	-
Charge for the year	8.79	4.04	12.83	-
Disposals	(2.94)	-	(2.94)	-
Accumulated amortisation as at March 31, 2023	60.27	64.14	124.41	-
Charge for the year	6.91	3.44	10.35	-
Disposals	(13.33)	-	(13.33)	-
Accumulated amortisation as at March 31, 2024	53.85	67.58	121.43	-
Net block as at March 31, 2024	19.86	1.84	21.70	4.38
Net block as at March 31, 2023	15.65	5.28	20.93	-

*The Company had elected to continue with the carrying value of property, plant and equipment and intangible assets as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition to Ind AS (i.e. April 1, 2015). The Company has disclosed the gross block and accumulated amortisation above, for information purpose only.

[#]Includes internally developed assets of net block Rs. 2.01 (March 31, 2023 Rs. 5.45).

[^]Ageing of intangible assets under development

Description		Amount in intangible assets under development for a period of			Total intangible assets under development
		Less than 1 year	1-2 years	2-3 years	
Project in progress	March 31, 2024	4.38	-	-	4.38
	March 31, 2023	-	-	-	-
Projects temporarily suspended	March 31, 2024	-	-	-	-
	March 31, 2023	-	-	-	-
Total intangible asset under development	March 31, 2024	4.38	-	-	4.38
	March 31, 2023	-	-	-	-

[^]For intangible assets under development, there are no projects whose completion date is overdue or exceeded its cost as compared to its original plan for the year ended and as at March 31, 2024 and March 31, 2023.

(e) Depreciation and Amortisation Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (note 4 (a))	60.12	58.69
Depreciation of right-of-use assets (note 4 (c))	2.27	1.63
Amortisation of intangible assets (note 4 (d))	10.35	12.83
Total	72.74	73.15

(f) Capitalisation of Expenses

During the year, the Company has capitalised the following expenses of revenue nature to the cost of Property, plant and equipment/intangible assets. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages (Refer note 25)	0.86	-
Other expenses (Refer note 27(a))	0.57	-
Total	1.43	-

5

(a) Investments in Subsidiaries

Accounting policy

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the Statement of profit and loss.

	Face value per share	Number of shares		Amount	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investments in Equity Instruments:					
Investments valued at cost (Fully paid)					
Equity shares in Subsidiaries (Unquoted)					
Thermax Engineering Construction Company Limited	Rs. 10	4,500,000	4,500,000	4.50	4.50
Thermax Instrumentation Limited	Rs. 10	9,000,000	9,000,000	6.06	6.06
Thermax Onsite Energy Solutions Limited	Rs. 10	108,280,000	72,280,000	108.28	72.28
Thermax Europe Limited	GBP 1	200,000	200,000	1.17	1.17
Thermax International Limited	USD 1	1,695,000	1,695,000	8.22	8.22
Thermax Netherlands B.V.	EUR 1	32,410,000	32,410,000	231.15	231.15
Rifox-Hans Richter GmbH Spezialarmaturen	EUR 1	716,469	716,469	12.04	12.04
Thermax Engineering Singapore Pte. Ltd.	USD 1	27,484,356	23,984,356	190.49	161.30
First Energy Private Limited	Rs. 10	403,986,365	180,906,365	411.47	160.88
Thermax Sustainable Energy Solutions Limited [#]	Rs. 10	4,750,000	4,750,000	-	-
Thermax do Brasil - Energia e Equipamentos Ltda. [#]	Real 1	1,087,130	1,087,130	-	-
Thermax Babcock & Wilcox Energy Solutions Limited	Rs. 10	628,222,500	628,222,500	374.35	374.78
Thermax Cooling Solutions Limited	Rs. 5*	20,000,000	20,000,000	0.20	10.20
Thermax Bioenergy Solutions Private Limited	Rs. 10	3,250,000	3,250,000	3.25	3.25
Share application money:					
Thermax Netherlands B.V.	EUR 1	300,000	-	2.73	-

	Face value per share	Number of shares		Amount	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investments in Preference Shares:					
Investments valued at cost (Fully paid)					
Preference shares in Subsidiaries (Unquoted)					
Thermax International Ltd., Mauritius (6% Redeemable with conversion option)	USD 1	1,747,300	1,747,300	7.87	7.87
Thermax Instrumentation Limited, India (10% Redeemable non-cumulative)	Rs. 100	1,700,000	-	10.00	-
Total value of investments (A)				1,371.78	1,053.70
Less: Impairment in value of investments					
Thermax Netherlands B.V.				201.06	201.06
First Energy Private Limited				32.94	32.94
Thermax Engineering Singapore Pte. Ltd. (refer note 40)				112.90	39.49
Total impairment in value of investments (B)				346.90	273.49
Investments in Subsidiaries (net) (A-B)				1,024.88	780.21

*Face value of share has reduced from Rs. 10 to Rs. 5 on account share capital reduction in Thermax Cooling Solution Limited.

(b) Investment in Associates

Accounting policy

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining whether significant influence exists are similar to those necessary to determine control over the subsidiaries. The Company's investments in its associates are accounted at cost.

	Face value per share	Number of shares		Amount	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investments in Associates (At cost)					
Cumulative Convertible Preference shares in Associates (Unquoted):					
ExactSpace Technologies Private Limited (15.17%; March 31, 2023: 10.41%)	Rs. 10	1,921	1,249	10.00	6.50
Covacsis Technologies Private Limited (16.67%, March 31, 2023: 16.67%)	Rs. 10	43,192	43,192	10.00	10.00
Total investment in Associates				20.00	16.50
Total investment in Subsidiaries and Associates					
Aggregate amount of unquoted investments				1,391.78	1,070.20
Aggregate amount of impairment in the value of investments				346.90	273.49

#Deemed cost is considered to be Rs. Nil as on April 1, 2015.

6 Investments

(a) Non-Current Investments

	Face value per share	Number of shares		Amount	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investments in Equity Shares					
Investments at fair value through profit and loss:					
Unquoted equity shares (Fully paid up)					
Sicom Limited#	Rs. 10	10,000	10,000	-	-
Total investment in Equity Shares				-	-
Investment in Preference Shares					
Investments at fair value through profit and loss:					
Unquoted preference shares in Subsidiaries (Fully paid up, redeemable)					
Thermax Sustainable Energy Solutions Limited (6%, Cumulative)#	Rs. 10	4,000,000	4,000,000	-	-
Thermax Babcock & Wilcox Energy Solutions Limited (8%, Cumulative, Redeemable) (Net)	Rs. 10	-	52,700,000	-	72.46
Total investment in Preference Shares				-	72.46
Investments at fair value through profit and loss:					
Fund Of Funds (FOF)				80.62	75.08
Exchange Traded Funds (ETF) & Index Funds				88.69	82.53
Floater Funds				63.96	59.23
Total value of investments (Quoted)				233.27	216.84
Investments in Bonds and NCD's:					
Investments at amortised cost					
Investments in Corporate Bonds (Unquoted)				149.31	-
Total non-current investments				382.58	289.30
Aggregate amount of quoted investments				233.27	216.84
Aggregate amount of unquoted investments				149.31	72.46
Aggregate amount of impairment in the value of investments				-	-

#Deemed cost is considered to be Nil as on April 1, 2015.

Investments at fair value through profit or loss reflect investment in quoted and unquoted equity and debt securities. Refer note 34 for determination of their fair values.

(b) Current Investments

	Face value per share	Number of shares		Amount	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investment in Preference Shares					
Investments at fair value through profit and loss:					
Unquoted preference shares in Subsidiaries (Fully paid up, redeemable)					
Thermax Babcock & Wilcox Energy Solutions Limited (8%, Cumulative, Redeemable) (Net)	Rs. 10	52,700,000	-	76.67	-
Total investment in Preference Shares				76.67	-
Investments in Mutual Funds					
Investments at fair value through profit and loss:					
Units of Mutual Funds (Quoted)				682.18	662.64
Investments in Bonds					
Investments at amortised cost:					
Investments in Corporate Bonds (Unquoted)				74.00	161.78
Investments at amortised cost:					
Corporate Fixed Deposits (Unquoted)				132.94	359.46
Total value of investments				965.79	1,183.88
Aggregate amount of quoted investments and market value thereof				682.18	662.64
Aggregate amount of unquoted investments				283.61	521.24
Aggregate amount of impairment in the value of investments				-	-

Investments at fair value through profit or loss reflect investment in quoted and unquoted equity and debt securities. Refer note 34 for determination of their fair values.

7 Trade Receivables - At Amortised Cost

Accounting policy

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(a) Non-Current Trade Receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables from:		
i) Related parties (Refer note 32)	-	-
ii) Others	140.08	112.94
Total	140.08	112.94

	As at March 31, 2024	As at March 31, 2023
Sub-classification of trade receivables		
Secured, considered good	-	-
Unsecured, considered good	152.52	131.65
Trade receivables which have a significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
	152.52	131.65
Less: impairment allowance	(12.44)	(18.71)
Total	140.08	112.94

The ageing of non-current trade receivables which are due for receipt:

Description	Not due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	March 31, 2024	152.52	-	-	-	-	152.52
	March 31, 2023	108.63	-	23.02	-	-	131.65
Less: Impairment allowance	March 31, 2024						(12.44)
	March 31, 2023						(18.71)
Total	March 31, 2024						140.08
	March 31, 2023						112.94

The above ageing includes retention receivables which are classified as due or not due on the basis of the contractual terms with respective customers.

(b) Current Trade Receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables from:		
i) Related parties (Refer note 32)	93.12	140.07
ii) Others	1,408.52	1,070.15
Total	1,501.64	1,210.22
Sub-classification of trade receivables		
Secured, considered good	198.83	119.72
Unsecured, considered good	1,519.51	1,282.66
Trade receivables which have a significant increase in credit risk	11.47	13.26
Trade receivables - Credit impaired	27.77	26.68
	1,757.58	1,442.32
Less: impairment allowance	(255.94)	(232.10)
Total	1,501.64	1,210.22

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 32.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The ageing of current trade receivables which are due for receipt:

Description		Not due	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - Considered good	March 31, 2024	881.15	500.01	96.60	128.42	36.05	66.94	1,709.17
	March 31, 2023	753.03	334.52	131.83	48.81	27.44	97.46	1,393.09
(ii) Undisputed trade receivables - Which have significant increase in credit risk	March 31, 2024	-	-	-	-	0.22	11.25	11.47
	March 31, 2023	-	-	0.03	-	0.19	13.04	13.26
(iii) Undisputed trade receivables - Credit impaired	March 31, 2024	0.65	5.88	2.10	7.09	5.14	5.72	26.58
	March 31, 2023	2.05	2.78	1.65	7.22	3.53	9.45	26.68
(iv) Disputed trade receivables - Considered good	March 31, 2024	-	-	-	-	-	9.17	9.17
	March 31, 2023	-	-	-	-	-	9.29	9.29
(v) Disputed trade receivables - Which have significant increase in credit risk	March 31, 2024	-	-	-	-	-	-	-
	March 31, 2023	-	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	March 31, 2024	-	-	1.19	-	-	-	1.19
	March 31, 2023	-	-	-	-	-	-	-
Sub-total	March 31, 2024	881.80	505.89	99.89	135.51	41.41	93.08	1,757.58
	March 31, 2023	755.08	337.30	133.51	56.03	31.16	129.24	1,442.32
Less: Impairment allowance	March 31, 2024							(255.94)
	March 31, 2023							(232.10)
Total	March 31, 2024							1,501.64
	March 31, 2023							1,210.22

The above ageing includes retention receivables which are classified as due or not due on the basis of the contractual terms with respective customers.

(c) Expected Credit Loss (ECL)

Accounting policy

In accordance with Ind AS 109 "Financial Instruments", the Company applies ECL model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortised costs e.g. loans, deposits, trade receivables, contractual receivables and bank balances. The Company follows 'simplified approach' for recognition of impairment allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment allowance based on 12-month ECL. The Company considers current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

ECL impairment allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of profit and loss under the head 'other expenses'. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Estimates and Judgements

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and timing of cash flows. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

As a practical expedient, the Company uses a provision matrix to determine ECL impairment allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates a default rate of total revenue for trade receivables and contract revenue for contract assets. The Company follows provisioning norms based on ageing of receivables to estimate the impairment allowance under ECL. For retention receivables, the Company additionally categorises the receivables due from Public Sector Undertakings (PSUs) and Non-PSUs and follows a wider aged bucket provisioning norms as the performance guarantee tests require certain time period after the supplies are completed.

The following table summarises the change in impairment allowance measured using the life time ECL model (Pursuant to Ind AS 109):

	Provision on trade receivables		Provision on unbilled revenue (contract assets) (Refer note 9(b))	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	250.81	256.35	13.04	10.07
Less: Bad debts/write off	(18.87)	(32.48)	-	-
	231.94	223.87	13.04	10.07
Add: Provision made during the year	97.78	69.93	2.70	2.97
Less: Utilised/reversed during the year	(61.34)	(42.99)	-	-
Net charge to Statement of profit and loss	36.44	26.94	2.70	2.97
At the end of the year	268.38	250.81	15.74	13.04

Also refer note 32 for impairment provision on related party balances.

8 Loans - At Amortised Cost

(a) Non-Current Loans

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loan to related parties (Refer note 32)#	5.97	-
Loan to employees	2.01	2.68
Total	7.98	2.68
Classification of above is as follows:		
Loans receivables - Considered good - Secured	-	-
Loans receivables - Considered good - Unsecured	7.98	2.68
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - Credit impaired#	-	-
Total	7.98	2.68

Details of non-current loans to Promoters, Directors, Key Management Personnel and related parties

Type of borrower	As at March 31, 2024		As at March 31, 2023	
	Amount of loan or advance in the nature of loan outstanding Rs.	Percentage to the loan or advance in the nature of loan %	Amount of loan or advance in the nature of loan outstanding Rs.	Percentage to the loan or advance in the nature of loan %
Promoters	-	-	-	-
Directors	-	-	-	-
Key Management Personnel	-	-	-	-
Related parties	-	-	-	-
Gross	10.09	100%	4.12	100%
Net	5.97	100%	-	-

*Loans to related party is disclosed net of impairment allowance of Rs. 4.12 (March 31, 2023: Rs. 4.12).

(b) Current Loans

	As at March 31, 2024	As at March 31, 2023
Loan to related parties (Refer note 32)	183.07	170.89
Loan to employees	0.73	0.98
Total	183.80	171.87
Classification of above is as follows:		
Loans receivables - Considered good - Secured	-	-
Loans receivables - Considered good - Unsecured	183.80	171.87
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - Credit impaired	-	-
Total	183.80	171.87

Details of current loans to Promoters, Directors, Key Management Personnel and related parties

Type of borrower	As at March 31, 2024		As at March 31, 2023	
	Amount of loan or advance in the nature of loan outstanding Rs.	Percentage to the loan or advance in the nature of loan %	Amount of loan or advance in the nature of loan outstanding Rs.	Percentage to the loan or advance in the nature of loan %
Promoters	-	-	-	-
Directors	-	-	-	-
Key Management Personnel	-	-	-	-
Related parties	-	-	-	-
Gross	183.07	100%	170.89	100%
Net	183.07	100%	170.89	100%

Loans are various kinds of non-derivative financial assets which generate fixed interest income for the Company. The tenure of such loans has different time range based on employee's eligibility.

No loans are due from directors or Key Managerial Personnel of the Company either severally or jointly with any other person or from private companies or firms in which any director is a partner, a director or a member respectively.

For terms and conditions relating to loans given to related parties, refer note 32.

9 Other Financial Assets

Accounting policy

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing. Contract assets are recorded in balance sheet as unbilled revenue.

(a) Other Non-Current Assets

	As at March 31, 2024	As at March 31, 2023
Bank deposits with maturity of more than 12 months [#]	-	2.25
Security Deposits [*]	8.52	7.91
Total	8.52	10.16

[#]Out of above bank deposits, Rs. Nil (March 31, 2023: Rs. 0.15) are pledged as margin money.

(b) Other Current Assets

	As at March 31, 2024	As at March 31, 2023
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	0.72	1.11
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	1.35	1.84
At amortised cost		
Export incentive receivable	6.93	6.18
Unbilled revenue (Contract assets) [^]	104.34	180.96
Security Deposits [*]	3.40	1.98
Others	22.65	24.41
Total	139.39	216.48

^{*}Includes lease deposits given to directors of Rs. 0.18 (March 31, 2023: Rs. 0.18). The maximum amount due from directors during the year amounted to Rs. 0.18 (March 31, 2023: Rs. 0.18). This also includes deposits given to various other parties for rent, utilities etc. Refer note 32.

Financial assets at fair value through other comprehensive income reflect the change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales and purchases in various foreign currencies.

[^]Unbilled revenue is disclosed net of impairment allowance of Rs. 15.74 (March 31, 2023: Rs. 13.04) for contract assets.

10 Income Taxes

Accounting policy

Tax expense comprises of current tax expense and deferred tax.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised either in OCI or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity (or each tax Company of entities when applicable) and the same taxation authority.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments.

Estimates and assumptions

At each balance sheet date, the Company assesses whether the realisation of future tax benefits is sufficiently probable to recognise deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted.

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	145.83	98.91
Deferred tax	(3.21)	3.32
Income tax expense reported in the Statement of profit and loss	142.62	102.23

Other comprehensive income	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax related to items recognised in other comprehensive income during the year		
Net (gain) or loss on revaluation of cash flow hedge	(0.23)	0.07
Net (gain) or loss on remeasurements of defined benefit plans	(1.19)	(2.69)
Deferred tax credited in other comprehensive income	(1.42)	(2.62)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax (before exceptional items)	577.98	424.29
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17%	145.48	106.79
- Dividend income	(1.13)	(1.78)
- Fair value gain on FVTPL investments	-	(0.50)
- Deferred tax on account of utilisation of losses of previous year(s)	(6.20)	(5.27)
- Other permanent differences	4.47	2.99
Effective tax	142.62	102.23
Total income tax expense reported in the Statement of profit and loss	142.62	102.23

Deferred tax

Statement of profit and loss	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	1.34	0.83
Employee benefit obligations	(2.26)	1.40
Provision for doubtful debts and liquidated damages	(17.24)	4.59
Temporary differences in accounting treatment as required by income tax standards	(2.61)	1.35
Items allowed on payment basis/temporary disallowances	(3.05)	2.62
Others (mainly includes impact on account of deferred tax asset on brought forward losses)	20.61	(7.47)
Deferred tax expense/(income) in the Statement of profit and loss	(3.21)	3.32

Balance Sheet	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(55.12)	(53.78)
Revaluation of cash flow hedges	0.08	(0.15)
Employee benefit obligations	13.88	10.43
Provision for doubtful debts and liquidated damages	88.36	71.13
Items allowed on payment basis/temporary disallowances	7.97	4.91
Temporary differences in accounting treatment as required by income tax standards	3.96	1.36
Others (mainly includes impact on account of deferred tax asset on brought forward losses)	(6.64)	13.96
Net deferred tax assets	52.49	47.86

Reconciliation of deferred tax assets (net)	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	47.86	48.64
Tax (expense)/income during the period recognised in profit or loss	3.21	(3.32)
Tax expense during the period recognised in other comprehensive income	1.42	2.54
Closing balance	52.49	47.86

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has not recognised deferred tax asset of Rs. 18.48 (March 31, 2023: Rs. 0.76) on provision of impairment in subsidiaries of Rs. 73.41 (March 31, 2023: Rs. 3).

The Company has tax losses (of capital in nature) of Rs. 47.87 (March 31, 2023: Rs. 80.84) that are available for offsetting for future taxable capital profits. These losses will expire by March 2029. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable capital profits elsewhere in the Company and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs. 10.95 (March 31, 2023: Rs. 18.50).

11 Other Assets

(a) Other Non-Current Assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers	-	0.07
Capital advance (includes advance to related party Rs. 0.65 (March 31, 2023: Rs. 0.65)) (Refer note 32)	10.39	3.51
Balances with government authorities	28.40	29.39
Prepayments	14.48	17.56
Total	53.27	50.53

(b) Other Current Assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers	170.22	133.05
Advance to employees	7.94	7.59
Advance to related parties (Refer note 32)	29.53	57.49
Prepayments	21.31	17.96
Balances with government authorities	58.34	99.35
Prepaid employee benefits (Refer note 18)	-	4.75
Deposit against litigation (Refer note 30)	218.45	-
Others (includes recovery of other expenses)	4.94	1.81
Total	510.73	322.00

There were no advances due by directors or officers of the Company or any of them severally or jointly with any other persons or amounts due by firms or private companies respectively in which such director is a partner or a member.

For terms and conditions relating to loans given to related parties, refer note 32.

12 Inventories

Accounting policy

Inventories are stated at the lower of cost and net realisable value (NRV). Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Write down of inventories are calculated based on an analysis of foreseeable changes in demand, technology, market conditions and ageing of inventories.

	As at March 31, 2024	As at March 31, 2023
Raw materials, components and bought-outs*	226.28	209.89
Work-in-progress	132.49	136.57
Finished goods	24.90	32.66
Stores and spares	4.71	3.86
Traded goods	8.95	7.80
Total	397.33	390.78

*includes goods in transit Rs. 18.48 (March 31, 2023: Rs. 12.88)

For the year ended March 31, 2024 Rs. (6.47) (March 31, 2023: Rs. (6.44)) was recognised (net of reversals) as an expense for inventories carried at net realisable value. These were recognised as expense during the year and included in cost of raw materials and components consumed in the Statement of profit and loss.

13

(a) Cash and Cash Equivalents

Accounting policy

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts (including balances with EEFC accounts)	103.26	98.53
- in deposits with original maturity of less than three months*	160.04	22.01
Cheques, drafts on hand	0.20	0.07
Cash on hand	0.12	0.21
Total	263.62	120.82

*Short-term deposits are made for varying periods ranging between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Out of cash and cash equivalents balance as at March 31, 2024, Rs. 13.09 (March 31, 2023: Rs. 11.44) held as security against import commitments.

(b) Other Bank Balances - At Amortised Cost

	As at March 31, 2024	As at March 31, 2023
Bank deposits with original maturity more than three months and remaining maturity less than twelve months	82.53	286.97
Unpaid dividend account (restricted)	0.61	0.69
Total	83.14	287.66

(c) Changes in Liabilities Arising from Financing Activities

	Borrowings	Unpaid dividend	Lease liabilities
As at April 1, 2022	180.00	0.78	5.29
Cash flow	40.00	(0.09)	(1.12)
As at March 31, 2023	220.00	0.69	4.17
Cash flow	87.80	(0.08)	(1.80)
New leases	-	-	6.53
Discontinuation of lease	-	-	(3.02)
As at March 31, 2024	307.80	0.61	5.88

14 Share Capital

Accounting policy

Equity shares issued to shareholders are classified as equity. Incremental costs directly attributable to the issue of new equity shares are recognised as a deduction from equity, net of any related income tax effects.

	As at March 31, 2024	As at March 31, 2023
Authorised shares (Nos)		
375,000,000 (March 31, 2023: 375,000,000) equity shares of Rs. 2/- each	75.00	75.00
	75.00	75.00
Issued, subscribed and fully paid share capital (Nos)		
119,156,300 (March 31, 2023: 119,156,300) equity shares of Rs. 2/- each	23.83	23.83
Total issued, subscribed and fully paid-up share capital	23.83	23.83

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	No. of shares	Amt
Equity share of Rs. 2 each issued, subscribed and fully paid		
As at April 1, 2022	119,156,300	23.83
Changes during the year	-	-
As at March 31, 2023	119,156,300	23.83
Changes during the year	-	-
As at March 31, 2024	119,156,300	23.83

(b) Terms/rights attached to equity shares

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

(c) Equity shares held by Holding Company

	As at March 31, 2024	As at March 31, 2023
Holding company		
RDA Holdings Private Limited	12.87	12.87
64,328,500 (March 31, 2023: 64,328,500) equity shares of Rs. 2/- each fully paid		

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company (refer note (f) below)

	As at March 31, 2024	As at March 31, 2023
RDA Holdings Private Limited, India		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
ARA Trusteeship Company Private Limited, India		
%	7.99	7.99
No. of shares	9,520,805	9,520,805
Nalanda India Equity Fund Ltd.		
%	6.86	6.86
No. of shares	8,176,668	8,176,668
Kotak Mahindra Mutual Fund		
%	6.37	6.98
No. of shares	7,586,103	8,322,863

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownerships of shares.

(e) Details of equity shares held by promoters in the Holding Company (refer note (f) below):

	As at March 31, 2024	As at March 31, 2023
RDA Holding Private Limited, India		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
% of change during the year	-	-
ARA Trusteeship Company Private Limited, India		
%	7.99	7.99
No. of shares	9,520,805	9,520,805
% of change during the year	-	-
Mr. Pheroze P. P. P. P. P.		
%	**	**
No. of shares	6,000	6,000
% of change during the year	-	-

**Represents less than 0.01%

(f) The Company has several trusts (73 nos) set up for welfare of employees and an ESOP Trust named Thermax Employee ESOP and Welfare Trust. Such trusts together hold 6,535,552 (March 31, 2023: 6,541,440) equity shares representing 5.48% (March 31, 2023: 5.49%) of equity share in the Company.

(g) There were no buy back of shares/issue of shares for consideration other than cash during the period of five years immediately preceding the reporting date.

15

(a) Other Equity

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Capital redemption reserve	50.34	50.34
Securities premium		
Opening balance	61.13	61.13
Add: Exercise of share options	1.42	-
Closing balance	62.55	61.13
Capital reserve	1.92	1.92
General reserve	429.14	429.14
Share based payment reserve		
Opening balance	2.52	-
Add: Compensation for options granted during the year (Includes Rs. 0.93 (March 31, 2023: Rs. 0.47) related to subsidiaries)	4.87	2.52
Less: Exercise of share options	1.42	-
Closing balance	5.97	2.52
Retained earnings		
Opening balance	2,648.50	2,434.47
Add: Profit for the year	437.44	329.26
Less: Final dividend paid	119.16	107.24
Movement during the year	318.28	222.02
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement (loss)/gain on defined benefit plans, net of tax Rs. 1.19 (March 31, 2023: Rs. 2.69)	(3.53)	(7.99)
Net surplus in the Statement of profit and loss	2,963.25	2,648.50
Total Reserves and Surplus	3,513.17	3,193.55
Other Reserves		
Cash flow hedge reserve		
Opening balance	0.38	0.17
Add: Movement during the year (net)	(0.91)	0.28
Less: Tax on movement during the year	0.23	(0.07)
Closing balance	(0.30)	0.38
Total	3,512.87	3,193.93

Nature and purpose of reserves

Capital redemption reserve

Pertains to reserve created towards redemption of debentures and can be utilised in accordance with the provisions of the Act.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

Capital reserve

Pertains to reserves arising on amalgamations in the past which is required to be maintained as per statute and cannot be distributed to the shareholders.

General reserve

Represents amounts transferred from retained earning in earlier years as per the requirements of the erstwhile Companies Act, 1956.

Cash flow hedge reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedge instruments related to hedged transactions that have not yet occurred.

Share based payment reserve

The Company has established equity-settled share based payment plan for certain categories of employees of the Company. Refer note 38 for further details.

(b) Distribution Made and Proposed

Dividend

Accounting policy

Dividend to equity shareholders is recognised as a liability in the period in which the dividends are approved by the equity shareholders. Interim dividends that are declared by the Board of Directors without the need for equity shareholders' approvals are recognised as a liability and deducted from shareholders' equity in the year in which the dividends are declared by the Board of Directors.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash dividend on Equity shares declared and paid:		
Final dividend for the year 2022-23: Rs. 10 per share (2021-22: Rs. 9/- per share)	119.16	107.24
	119.16	107.24
Proposed dividend on Equity shares:		
Proposed dividend for the year 2023-24: Rs. 12 per share (2022-23: Rs. 10/- per share)	142.99	119.16

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at the reporting date.

16 Trade Payables - At Amortised Cost

(a) Non-Current Trade Payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (Refer note 16 (c))	-	-
Total outstanding dues of creditors other than micro and small enterprises:		
(i) Related parties (Refer note 32)	-	5.59
(ii) Others	43.83	28.86
Total	43.83	34.45

The ageing of non-current trade payables which are due for payment:

Description	Not due	Outstanding for the following period from due date of payments				Total
		Less than a year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	March 31, 2024	-	-	-	-	-
	March 31, 2023	-	-	-	-	-
(ii) Other than micro and small enterprises	March 31, 2024	43.83	-	-	-	43.83
	March 31, 2023	34.45	-	-	-	34.45
(iii) Disputed dues - Micro and small enterprises	March 31, 2024	-	-	-	-	-
	March 31, 2023	-	-	-	-	-
(iv) Disputed dues- Others	March 31, 2024	-	-	-	-	-
	March 31, 2023	-	-	-	-	-
Total	March 31, 2024	43.83	-	-	-	43.83
	March 31, 2023	34.45	-	-	-	34.45

(b) Current Trade Payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (Refer note 16 (c))	451.10	347.28
Total outstanding dues of creditors other than micro and small enterprises:		
(i) Related parties (Refer note 32)	85.81	98.07
(ii) Others	535.92	592.73
Total	1,072.83	1,038.08

For terms and conditions with related parties, refer note 32.

Trade payables are non-interest bearing and are generally on terms of 30 to 90 days.

The ageing of current trade payables which are due for payment:

Description	Not due	Outstanding for the following period from due date of payments				Total	
		Less than a year	1-2 years	2-3 years	More than 3 years		
(i) Micro and small enterprises	March 31, 2024	401.17	34.72	6.38	3.49	5.34	451.10
	March 31, 2023	289.25	50.44	3.25	0.78	3.56	347.28
(ii) Other than micro and small enterprises	March 31, 2024	311.86	84.65	15.25	8.71	17.09	437.56
	March 31, 2023	299.36	135.75	13.15	6.09	20.10	474.45
(iii) Disputed dues - Micro and small enterprises	March 31, 2024	-	-	-	-	-	-
	March 31, 2023	-	-	-	-	-	-
(iv) Disputed dues- Others	March 31, 2024	-	-	-	0.27	0.24	0.51
	March 31, 2023	-	-	0.27	-	0.24	0.51
Sub-total	March 31, 2024	713.03	119.37	21.63	12.47	22.67	889.17
	March 31, 2023	588.61	186.19	16.67	6.87	23.90	822.24
Unbilled trade payables	March 31, 2024						183.66
(Includes year end accruals)	March 31, 2023						215.84
Total	March 31, 2024						1,072.83
	March 31, 2023						1,038.08

(c) Details of dues to micro and small enterprises as defined under the micro, small and medium enterprises development (MSMED) Act, 2006

	As at March 31, 2024	As at March 31, 2023
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount outstanding (whether due or not) to micro and small enterprises*	450.96	346.77
- Interest due thereon	0.14	0.51
ii) The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of payment made to the supplier beyond the appointed day during the year.	486.04	166.64
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	3.37	1.72
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	3.51	2.23
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	3.51	2.23

*Information in this regard is on basis of intimation received, on requests made by the Company, with regards to registration of vendors under the said Act.

17 Financial Liabilities

(a) Other Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	1.05	0.57
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	2.24	3.68
At amortised cost		
Employee related payables	91.87	71.31
Payables for property, plant & equipments and intangible assets	9.27	6.82
Unpaid dividend	0.61	0.69
Liability towards employee separation scheme	1.50	1.02
Other payables*	4.64	4.56
Total	111.18	88.65

*includes dealer deposits, security deposits, etc.

18 Provisions

Accounting policy

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is reviewed annually. For EPC contracts, warranty provision is recorded basis significant progress.

Provision for onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Provision for litigation

Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

Decommissioning liability

The Company records a provision for decommissioning costs of its manufacturing facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The unwinding of the discount is expensed as incurred and recognised in the Statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts

included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of profit and loss in subsequent periods.

Past service costs are recognised in the Statement of profit and loss on the earlier of:

- (a) The date of the plan amendment or curtailment; and
- (b) The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the Projected Unit Credit Method at the year-end. The Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Estimates and assumptions

- **Provision for onerous contracts:** The Company provides for future losses on EPC contracts where it is considered highly probable that the contract costs are likely to exceed revenues in future years. Estimating these future losses involves a number of assumptions about the achievement of contract performance targets and the likely levels of future cost escalation over time.

A provision for expected loss on construction contracts is recognised when it is probable that the contracts costs will exceed total contract revenue. For all other contracts, provision is made when the unavoidable costs of meeting the obligation under the contract exceed the estimated economic benefits. The timing of cash outflows in respect of such provision is over the contract period.

- **Warranty provision:** The Company generally offers warranty for its various products. Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of warranty costs. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives. Warranty provisions are discounted using a pre-tax discount rate which reflects current market assessments of time value of money and risks specific to the liability.

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of such costs. It is expected that this expenditure will be incurred over the contracted warranty period ranging up to 2 years. If warranty claim costs vary by 10% from management's estimate, the warranty provisions would be an estimated Rs. 9.12 higher or lower (March 31, 2023: Rs. 8.07).

- **Defined benefit plan - Gratuity:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(a) Non-Current Provisions

	As at March 31, 2024	As at March 31, 2023
Other provisions		
Provision for warranties	14.91	13.96
Provision for decommissioning liability	11.24	10.12
Total	26.15	24.08

(b) Current Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for leave encashment	46.34	38.26
Provision for gratuity	4.88	-
	51.22	38.26
Other provisions		
Provision for onerous contracts	16.10	6.55
Provision for warranties	76.33	66.77
Provision for litigation	50.63	-
	143.06	73.32
Total	194.28	111.58

Movement in provisions

For the year ended March 31, 2024	Provision for Litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
As at April 1, 2023				
Balance at the beginning	-	6.55	80.73	10.12
Additional provision recognised	50.63	11.76	30.19	-
Unused amounts reversed	-	(0.74)	(22.84)	-
Unwinding of discount	-	-	4.66	1.12
Utilised during the year	-	(1.47)	(1.50)	-
As at March 31, 2024	50.63	16.10	91.24	11.24
Details of provisions:				
Current	50.63	16.10	76.33	-
Non-current	-	-	14.91	11.24
Total	50.63	16.10	91.24	11.24

For the year ended March 31, 2023	Provision for litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
As at April 1, 2022				
Balance at the beginning	-	12.92	85.61	9.08
Additional provision recognised	-	1.06	18.78	-
Unused amounts reversed	-	(4.36)	(24.76)	-
Unwinding of discount	-	-	5.50	1.04
Utilised during the year	-	(3.07)	(4.40)	-
As at March 31, 2023	-	6.55	80.73	10.12
Details of provisions:				
Current	-	6.55	66.77	-
Non-current	-	-	13.96	10.12
Total	-	6.55	80.73	10.12

(c) Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure at 15 days (minimum) of the last drawn salary for each completed year of service. The Scheme is funded with an Insurance Company. The fund has formed a trust and it is governed by the Board of Trustees.

The fund is subject to risks such as asset volatility, changes in assets yields and asset liability mismatch risk. In managing the plan assets, Board of Trustees review and manage these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset-liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk-averse markets). The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

I Changes in the net benefit obligation and fair value of plan assets are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2022	67.88	(79.83)	(11.95)
Current service cost	8.41	-	8.41
Interest expense/(income)	4.35	(5.53)	(1.18)
Total amount recognised in Profit or Loss (Refer note 25)	12.76	(5.53)	7.23
Experience adjustments	13.38	-	13.38
Actuarial loss from change in financial assumptions	(2.65)	-	(2.65)
Demographic adjustments	-	-	-
Return on plan assets (income)	-	(0.05)	(0.05)
Total amount recognised in Other Comprehensive (Income)/Loss	10.73	(0.05)	10.68
Employer contributions	-	(9.97)	(9.97)
Benefits paid	(8.10)	8.10	-
Transfer (out)/in	(0.74)	-	(0.74)
For the year ended March 31, 2023	82.53	(87.28)	(4.75)
Current service cost	9.72	-	9.72
Interest expense/(income)	6.02	(6.23)	(0.21)
Total amount recognised in Profit or Loss (Refer note 25)	15.74	(6.23)	9.51
Experience adjustments	3.14	-	3.14
Actuarial loss from change in financial assumptions	1.03	-	1.03
Demographic adjustments	-	-	-
Return on plan assets (income)	-	0.55	0.55
Total amount recognised in Other Comprehensive (Income)/Loss	4.17	0.55	4.72
Employer contributions	-	(2.00)	(2.00)
Benefits paid	(8.37)	5.09	(3.28)
Transfer (out)/in	0.68	-	0.68
For the year ended March 31, 2024	94.75	(89.87)	4.88

II The net liability disclosed above relates to funded plans which are as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of funded obligation	94.75	82.53
Fair value of plan assets	(89.87)	(87.28)
Surplus/(Deficit) of funded plan	4.88	(4.75)

III Significant assumptions

The principal actuarial assumptions were as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.20%	7.40%
Salary growth rate	7.00%	7.00%
Normal retirement age	60 years	60 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Employee turnover	5% to 12%	5% to 12%

IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumptions	Impact on defined benefit obligation	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate		
1.00% increase	Decrease by 4.93	Decrease by 4.93
1.00% decrease	Increase by 5.48	Increase by 4.45
Future salary increase		
1.00% increase	Increase by 4.54	Increase by 3.64
1.00% decrease	Decrease by 4.17	Decrease by 4.28
Attrition rate		
1.00% increase	Increase by 0.05	Increase by 0.10
1.00% decrease	Decrease by 0.06	Decrease by 0.10

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous periods.

The following are the expected cash flows/contribution to the defined benefit plan in future years:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Within next 12 months	16.92	13.83
Between 2-5 years	55.29	49.66
Next 5 years	73.31	61.37

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2023: 8 years)

The Company expects to contribute Rs. 2 to gratuity fund in the next year (March 31, 2023: Rs. 2)

V The major categories of plan assets are as follows:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Investments with Insurer (LIC of India)	100.00%	100.00%

19 Other Liabilities

Accounting policy

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company satisfies the performance obligation. Contract liabilities are recorded in balance sheet as unearned revenue and customer advances as the case may be.

(a) Other Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Unearned revenue (Contract liabilities)	613.62	466.83
Customer advances (Contract liabilities)		
(i) Related Parties (Refer note 32)	25.59	38.14
(ii) Others	753.22	837.39
Other advances [#]	-	14.20
Statutory dues and other liabilities*	36.23	37.49
Total	1,428.66	1,394.05

*mainly includes tax deducted at source, GST, provident fund, ESIC etc.

[#]consists of advance received against sale of property, plant and equipment etc.

For terms and conditions with related parties, refer note 32.

20 Borrowings - At Amortised Cost

Current Borrowings

	As at March 31, 2024	As at March 31, 2023
Secured loans from banks*	90.00	10.00
Unsecured loans from banks [#]	217.80	210.00
Total	307.80	220.00

*Secured loans pertains to packing credit amounting to Rs. 90 (March 31, 2023: Rs. 10) that are payable by the Company within 180-360 days (March 31, 2023: 90 days) from the invoice date.

These loans were secured by hypothecation of present and future stock of all inventories, stores and spares not related to plant and equipment, book debts and other moveable assets in March 31, 2024.

[#]Unsecured loans pertains to packing credit of Rs. 217.80 (March 31, 2023: Rs. 210) carries an interest rate of 5.5% to 5.75% (March 31, 2023: 5.25% to 5.85%) due for repayment within 180-360 days (March 31, 2023: 90-360 days) from date of disbursement or expected shipment date whichever is earlier.

21 Revenue from Operations

Accounting policy

Revenue from contracts with customers: Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The Company collects goods and services tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

The Company has following streams of revenue:

- **Revenue from Engineering, Procurement and Construction contracts**

Engineering, Procurement and Construction (EPC) contracts are contracts (or a Company of contracts secured together) specifically negotiated for the construction of an asset which refers to any project for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods. The Company identifies distinct performance obligations in each contract. For most of the project contracts, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

The Company may promise to provide distinct goods or services within a contract, in which case the Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. The Company uses the expected cost plus a margin approach to estimate the standalone selling price of each performance obligation in case of contracts with more than one distinct performance obligations.

The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognised over a period of time if any of the following criteria is met:

- The customer simultaneously consumes the benefits as the Company performs; or
- The customer controls the work-in-progress; or
- The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

The Company recognises revenue over time as it performs because of continuous transfer of control to the customers. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customers typically control the work in process as evidenced either by contractual termination clauses or by the rights of the Company to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use.

The Company uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred.

The Company estimates variable consideration amount which it expects to be entitled under the contract and includes it in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur and when the uncertainty associated with it is subsequently resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Costs associated with bidding for contracts are charged to the Statement of profit and loss when they are incurred. Costs that relate directly to a contract and are incurred in securing the contract are included as part of the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

Contract modification, when approved by both the parties to the contract, are considered as modification, if it creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are not distinct from the existing contract due to the significant integration service provided under the contract prior to modifications and are therefore, accounted for as part of the existing contract. The effect of a contract modification is recognised as an adjustment to revenue on a cumulative catch-up basis.

When it becomes probable that the total contract costs will exceed the total contract revenue, the Company recognises the expected losses from onerous contract as an expense immediately. Penalties for any delay or improper execution of a contract are recognised as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

- **Revenue from sale of goods**

If the criteria for revenue under over-a-period of time as mentioned above are not met, the Company recognises revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The Company provides for warranty provision for general repairs up to 18 – 24 months on its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. The Company does not provide any extended warranties.

- **Revenue from sale of services**

Revenue in respect of operation and maintenance contract, awarded on a standalone basis or included in long term contracts and identified as a separate performance obligation, is recognised on a time proportion basis under the contracts.

EPC contracts:

Estimates and assumptions

- **Provisions for liquidated damages claims (LDs):** The Company provides for LD claims to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This requires an estimate of the amount of LDs payable under a claim which involves a number of management judgments and assumptions regarding the amounts to be recognised;
- **Project cost to complete estimates:** At each reporting date, the Company is required to estimate costs to complete on fixed-price contracts. Estimating costs to complete on such contracts requires the Company to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate will impact revenues, cost of sales, work-in-progress, billings in excess of costs, estimated earnings and accrued contract expenses;
- **Recognition of contract variations:** The Company recognises revenues and margins from contract variations where it is considered probable that they will be awarded by the customer and this requires management to assess the likelihood of such an award being made by reference to customer communications and other forms of documentary evidence.

Judgments

A significant portion of the Company's business relates to EPC contracts which is accounted using cost-based input method, recognising revenue as the performance on the contract progresses. This requires management to make judgement with respect to identifying contracts for which revenue need to be recognised over a period of time, depending upon when the customer consumes the benefit, when the control is passed to customer, whether the asset created has an alternative use and whether the Company has right to payment for performance completed till date, either contractually or legally. The input method requires management to make significant judgments of the extent of progress towards completion including accounting of multiple contracts which need to be combined and considered as a single contract.

(a) Revenue from Contract with Customers

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from projects and products	5,040.56	4,469.41
Revenue from services	742.03	650.73
Total revenue from contracts with customers (a)	5,782.59	5,120.14

(b) Other Operating Revenue

	For the year ended March 31, 2024	For the year ended March 31, 2023
Export incentives	20.19	21.50
Sale of scrap	14.28	15.18
Commission income	3.09	3.20
Exchange fluctuation (loss) (net)*	(1.14)	(21.67)
Royalty income	2.92	2.81
Total Other operating revenue (b)	39.34	21.02
Total revenue from operations (a+b)	5,821.93	5,141.16

*Includes mark to market loss on forward contracts not subjected to hedge accounting Rs. 0.44 (March 31, 2023: (loss) Rs. 1.84)

(c) Disclosure Pursuant to IND AS 115: Revenue from Contract with Customers

i) By category of contracts

	For the year ended March 31, 2024	For the year ended March 31, 2023
Over a period of time basis	3,388.58	2,803.61
At a point-in-time basis	2,394.01	2,316.53
Total revenue from contracts with customers	5,782.59	5,120.14

Revenue by geographical market:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Within India	4,705.81	4,067.07
Outside India	1,076.78	1,053.07
Total revenue from contracts with customers	5,782.59	5,120.14

Revenue by segment:

	For the year ended March 31, 2024			
	Industrial Products	Industrial Infra	Chemical	Total
Revenue from contracts with customers				
External revenue	3,466.94	1,890.60	617.29	5,974.83
Less: Inter segment	(183.96)	(0.60)	(7.68)	(192.24)
Total revenue from contracts with customers	3,282.98	1,890.00	609.61	5,782.59
Other operating revenue	31.01	1.76	6.57	39.34
Total revenue from operations	3,313.99	1,891.76	616.18	5,821.93

	For the year ended March 31, 2023			
	Industrial Products	Industrial Infra	Chemical	Total
Revenue from contracts with customers				
External revenue	2,812.00	1,781.82	599.11	5,192.93
Less: Inter segment	(61.46)	(4.95)	(6.38)	(72.79)
Total revenue from contracts with customers	2,750.54	1,776.87	592.73	5,120.14
Other operating revenue	17.12	(4.78)	8.68	21.02
Total revenue from operations	2,767.66	1,772.09	601.41	5,141.16

ii) Contract balances

The following table provides information about contract balances from contracts with customers as at the reporting date:

	As at March 31, 2024	As at March 31, 2023
Trade receivables (Refer note 7)	1,641.72	1,323.16
Unbilled revenue (Contract asset) (Refer note 9(b))	104.34	180.96
Unearned revenue (Contract liability) (Refer note 19(b))	613.62	466.83
Customer advances (Contract liability) (Refer note 19)	778.81	875.53

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date from projects and customised contracts. The contract assets are transferred to trade receivables on completion of milestones and its related invoicing.

The contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised, with no impact on the Company's cash positions on specific projects.

iii) Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

	As at March 31, 2024	As at March 31, 2023
Unearned revenue	338.93	207.38
Customer advance	617.68	461.46

iv) Changes in unbilled revenue and unearned revenue for the year:

The explanation of the significant changes in the unbilled and unearned balances during the reporting period is presented in the table below:

	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Opening unbilled revenue (Refer note 9(b))	180.96		130.80	
Opening unearned revenue (Refer note 19(b))	466.83	(285.87)	292.01	(161.21)
- Transfer of contract assets to receivable from opening unbilled revenue	(167.60)		(125.48)	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	338.93		207.38	
- Transfer of contract assets to receivables	(3,452.58)		(2,793.76)	
- Increase in revenue as a result of changes in the measure of progress	3,049.65		2,596.23	
- Others*	8.19	(223.41)	(9.03)	(124.66)
Closing unbilled revenue (Refer note 9(b))	104.34		180.96	
Closing unearned revenue (Refer note 19(b))	613.62	(509.28)	466.83	(285.87)

*includes adjustments on account of onerous contracts, impairment allowance on contract assets, etc.

v) Performance obligations

Performance obligation in a project or a group of projects which are contracted at or near same time with the same or related parties and negotiated simultaneously, are combined for the purpose of evaluation. The Company has estimated that multiple commitments pertaining to engineering, procurement and commissioning of such projects is a single performance obligation which is spread over different accounting periods.

Performance obligation for products are evaluated on standalone basis, recognised at a point in time. Generally, performance obligations for such contracts have an original expected duration of one year or less.

There are no major contracts with customers which have significant financing component included within them and therefore there is no difference between the timing of satisfaction of performance obligation vis-a-vis the timing of the payment.

Remaining performance obligations:

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

The Company applies practical expedient included in para 121 of Ind AS 115 - "Revenue from Contracts with Customers" and does not disclose information about its remaining performance obligations for contracts that have an original expected duration of one year or less.

	As at March 31, 2024	As at March 31, 2023
Amount of revenue yet to be recognised for contracts in progress	2,901.39	3,754.64

The Company expects that a significant portion of the remaining performance obligation will be completed in next 1 to 2 years. However, the contracts with customers for supply of utilities are for a longer period.

vi) Reconciliation between revenue recognised in Statement of profit and loss and contract price:

There is no significant variation between revenue recognised in Statement of profit and loss and contract price except price variation claims, which are considered to be part of contract price.

22 Other Income

Accounting policy

(i) Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of profit and loss.

(ii) Dividend

Dividend is recognised when the Company's right to receive the payment is established.

(iii) Rental income

Rental income from operating leases (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income from financial assets carried at amortised cost		
Loans to subsidiary	15.99	6.43
Bank and other deposits	46.40	41.48
Interest income from financial assets at fair value through profit and loss		
Loan to subsidiary (preference shares)	4.21	4.21
Other interest income	0.82	0.36
Dividend income from equity investments carried at cost	4.50	7.09
Fair value gain on financial instrument at fair value through profit and loss (net)	69.58	40.04
Liabilities no longer required written back	9.78	9.89
Miscellaneous income ^{^^}	42.21	26.84
Total	193.49	136.34

^{^^}Includes rent income of Rs. 5.36 (March 31, 2023: Rs. 5.09); refer note 30 C (i)

23 Cost of Raw Material and Components Consumed

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year	209.89	201.67
Add: Purchases	3,132.05	2,856.23
	3,341.94	3,057.90
Inventories at the end of the year	(226.28)	(209.89)
Total	3,115.66	2,848.01

24 (Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods

	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	136.57	134.62
Finished goods	32.66	24.47
Traded goods	7.80	5.65
	177.03	164.74
Less: Inventories at the end of the year		
Work-in-progress	132.49	136.57
Finished goods	24.90	32.66
Traded goods	8.95	7.80
	166.34	177.03
Total	10.69	(12.29)

25 Employee Benefit Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages*	594.28	490.72
Employee share-based payment expenses (Refer note 38)	3.94	2.05
Contribution to provident and other funds	39.62	32.54
Gratuity expenses (Refer note 18)	9.51	7.23
Staff welfare expenses	37.12	31.86
	684.47	564.40
Less: capitalised during the year (Refer note 4 (f))	(0.86)	-
Total	683.61	564.40

*Salaries and wages includes director sitting fees

26 Finance Costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense	18.06	13.04
Unwinding of discount	5.78	6.54
Total	23.84	19.58

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(a) Other Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spare parts	63.50	61.71
Power and fuel	43.77	46.24
Freight and forwarding charges (net of recovery)	108.68	104.09
Site expenses and contract labour charges	728.87	607.59
Drawing, design and technical service charges	37.39	49.09
Sales commission	22.15	22.04
Advertisement and sales promotion	19.96	17.37
Rent (Refer note 30 C (ii))	8.87	8.91
Rates and taxes	7.91	10.26
Insurance	9.14	9.86
Repairs and maintenance:		
Plant and equipment	17.96	12.97
Buildings	5.25	4.06
Others	50.78	55.18
Travelling and conveyance	66.72	56.04
Legal and professional fees (includes payment to auditor) (Refer note 27 (b))	80.96	73.88
Provision for doubtful advances (net)	(2.69)	2.92
Provision for impairment allowance of financial assets (net)	39.14	29.91
Warranty expenses (net)	26.64	6.98
Loss on sale/discard of assets (net)	0.35	3.53
CSR expenditure (Refer note 27 (c))	5.93	5.37
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	28.70	29.07
	1,369.98	1,217.07
Less: capitalised during the year (Refer note 4 (f))	(0.57)	-
Total	1,369.41	1,217.07

(b) Payment to Auditors

	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor		
Audit and limited review fee	2.63	2.23
In other capacity		
Other services	0.08	0.06
Reimbursement of expenses	0.08	0.05
Total	2.79	2.34

(c) Corporate Social Responsibility (CSR)

	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Gross amount required to be spent by the Company during the year	5.93	5.37
(b) Amount spent during the year [^]	5.93	5.37
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities	Education, Skill Development, Rural Development	Education, Skill Development, Rural Development
(g) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard:	5.93	5.37

[^]The amount is contributed to Thermax Foundation, India (refer note 32) which is engaged in education of economically underprivileged children by addressing social discrimination through affirmative actions, skill development and employability initiatives.

There is no provision for CSR expenditure as at March 31, 2024 and March 31, 2023.

28 Earnings Per Share

Accounting policy

The Company presents the basic and diluted EPS data for its equity shares.

- (i) **Basic EPS** is computed by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year;
- (ii) **Diluted EPS** is computed by adjusting the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares considered for deriving basic EPS for the effects of all the equity shares that could have been issued upon conversion of all dilutive potential equity shares (which includes the various stock options granted to employees).

	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit after tax attributable to the Equity shareholders	437.44	329.26
Weighted average number of Equity shares of Rs. 2/- each	119,156,300	119,156,300
Basic earnings per share	36.71	27.63
Diluted earnings per share	36.71	27.63

29 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

For the year ended March 31, 2024	Cash flow hedge reserve	Retained earnings	Total
Foreign exchange forward contracts	-	-	-
Reclassified to Statement of profit and loss (Net)	(0.68)	-	(0.68)
Re-measurement gains on defined benefit plans	-	(3.53)	(3.53)
Total	(0.68)	(3.53)	(4.21)

For the year ended March 31, 2023	Cash flow hedge reserve	Retained earnings	Total
Foreign exchange forward contracts	-	-	-
Reclassified to Statement of profit and loss (Net)	0.21	-	0.21
Re-measurement gains on defined benefit plans	-	(7.99)	(7.99)
Total	0.21	(7.99)	(7.78)

30 Contingent Liabilities and Commitments

A Contingent Liabilities

Accounting policy

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Judgements

Tax and legal contingencies

The Company has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable losses including the estimate of legal expense to resolve such matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

a) Taxes^{^^}

	For the year ended March 31, 2024	For the year ended March 31, 2023
Excise, Customs Duty and Service tax	6.02	8.05
Goods and Service tax	13.26	-
Sales tax	16.56	16.76
Income tax demands disputed in appellate proceedings [#]	64.45	85.01
References/appeals preferred by the Income Tax Department in respect of which, should the ultimate decision be unfavourable to the Company	16.36	16.36
Others	0.22	0.12

^{*}Excluding of interest and penalty thereon.

[#]The above excludes the effects of similar disallowances, if any, for any subsequent period that are pending for open assessments.

^{^^}Against income tax disputed demand, the Company has received favourable ITAT orders in earlier years (similar issues) for Rs. 72.96 (March 31, 2023: Rs. 93.62).

b) Guarantees on behalf of subsidiaries

	For the year ended March 31, 2024	For the year ended March 31, 2023
Counter corporate guarantees issued to banks (Also refer note 31(A)(b))	357.40	147.51
Indemnity bonds, letter of support/comfort and corporate guarantees (Also refer note 31(A)(c))	935.64	2,527.98

The Company has issued various guarantees for performance, deposits, tender money, advances, etc. The management has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here.

c) Others[^]

	For the year ended March 31, 2024	For the year ended March 31, 2023
Liability for export obligations	3.08	0.61
Claims against the Company not acknowledged as debt [*]	177.18	206.43

The timing and amount of the cash flow which will arise from these matters, will be determined by the relevant authorities on settlement of the cases or on receipt of claims from customers.

^{*}Excluding of interest and penalty thereon.

[^]Includes a case against the Company in dispute with customer amounting to Rs. 167.82 whereby in June 2023, an arbitrator ruled against the Company in a dispute with a customer who had been supplied Gas Turbo Generators (GTGs) procured from a third party as part of a composite contract. The GTGs had failed and the arbitrator ruled that Company must repair and restore them and bear other related costs, estimated in aggregate as Rs. 218.45, including interest. The award has been appealed by the Company in the Bombay High Court. A stay has been granted, for which Company has deposited with the customer Rs. 218.45. The deposit is refundable, with interest, depending on the outcome of the case. The final hearings challenging the award is in progress before the Bombay High Court.

Pursuant to an independent legal opinion, the Company had made a provision of Rs. 50.63 and for the balance amount, no provision had been considered necessary. The Company is reasonably confident of the issue being ultimately decided in its favour.

B Capital and Other Commitments

- a) Liability in respect of partly paid shares Rs. Nil (March 31, 2023: Rs. Nil).
- b) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 60.73 (March 31, 2023: Rs. 19.39).
- c) Parent support letter given to Thermax Bioenergy Solutions Private Limited amounting to Rs. 13 (March 31, 2023: Rs. Nil).

C Lease Commitments

Accounting policy

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Operating lease

i) Where the Company is Lessor:

Accounting policy

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

The Company has leased certain parts of its surplus office and buildings. The tenure of such lease agreements ranges from 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. For nature of assets refer note 4(c).

	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease rental received for the year	5.36	5.09

ii) Where the Company is Lessee:

Accounting policy

The Company lease asset classes primarily consist of leases for land, office buildings, guest house and other office equipment, etc. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (1) The contract involves the use of an identified asset;
- (2) The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (3) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at present value of the future lease payments. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a practical expedient, Ind AS 116 - "Property, plant and equipment", permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Details of Leases:

The Company has taken land, office buildings, factory sheds, guest house, warehouse, vehicles, printers and other office equipment's on lease for a tenure of 1 to 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. However, Company has sub-leased some portion of its land and building to its subsidiary. There are no variable lease payments and residual value guarantees for these leases. The leases are renewable on mutually agreeable terms. At the expiry of the lease term, either party has an option to terminate the agreement or extend the term by giving notice in writing. The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Carrying amounts of lease liabilities and the movements during the year:

	For the year ended March 31, 2024	For the year ended March 31, 2023
At the beginning of the year	4.17	5.29
Additions	6.53	-
Discontinuation of lease	(3.02)	-
Payments made	(1.80)	(1.12)
Total*	5.88	4.17
Current portion	1.59	1.66
Non-current portion	4.29	2.51
Total*	5.88	4.17

*Pertains to offices and vehicles taken on lease

Details of amounts recognised in Statement of profit and loss:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use assets	2.27	1.63
Interest expense on lease liabilities	-	-
Expense relating to short-term leases [#]	8.33	7.47
Expense relating to leases of low-value assets (included in other expenses)	0.54	1.44
Total amount recognised in Statement of profit and loss[#]	11.14	10.54

[#]Included in rent, travel and conveyance and staff welfare.

31

(A) Disclosure Required Under Section 186(4) of Companies Act, 2013

a) Loans to related parties include loans given to subsidiaries. The particulars of which are disclosed below as required by Sec 186(4) of the Act:

Name of the party	Rate of interest (p.a.)	Due date and amount payable	Purpose	As at	
				March 31, 2024	March 31, 2023
First Energy Private Limited*	Interest rate based on comparative quotes taken from bank on case to case basis. Currently for short term loan it is between range of 8% p.a. to 8.15% p.a and for long term loan it is between 8.6% p.a. to 8.8% p.a.	The loan shall be repaid within a period of 1 year in case short term loan and 2 to 3 years in case Long term loan.	The loan has been granted to the subsidiary for working capital requirements.	193.16	173.12

*Before impairment allowance of Rs. 4.12 (March 31, 2023: Rs. 4.12).

b) Bank guarantees and letters of credit issued favouring end customers on behalf of the subsidiaries. Details are as below:

Name of the party	As at March 31, 2024		As at March 31, 2023	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount
First Energy Private Limited^	-	35.00	-	-
First Energy 3 Private Limited^	-	-	-	106.74
First Energy 4 Private Limited^	-	1.15	-	-
First Energy 5 Private Limited^	-	102.55	-	-
First Energy 6 Private Limited^	-	7.60	-	-
First Energy 7 Private Limited^	-	16.71	-	-
First Energy 8 Private Limited^	-	170.78	-	-
Thermax Onsite Energy Solutions Limited	-	-	-	0.75
Thermax Babcock & Wilcox Energy Solutions Limited	USD 1.99	16.56	USD 2.72	22.35
Thermax Babcock & Wilcox Energy Solutions Limited	-	7.05	-	17.67
Total		357.40		147.51

Purpose: Bank guarantees issued favouring end customers on behalf of the subsidiaries.

^The Company has issued an overall limit of non funding facilities to First Energy Private Limited and its Subsidiaries of Rs. 415 (March 31, 2023: Rs. 250)

c) The Company has issued letter of support/comfort and corporate guarantees on behalf of subsidiaries. Details are given below:

Name of the party	As at March 31, 2024		As at March 31, 2023	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount
Thermax Instrumentation Limited	-	80.00	-	80.00
Thermax Engineering Construction Company Limited	-	-	-	7.00
Thermax Babcock & Wilcox Energy Solutions Limited	-	505.00	-	2,115.00
Thermax Cooling Solutions Limited	-	12.00	-	12.00
Thermax Engineering Singapore Pte. Ltd.	USD 10	83.41	USD 10	82.34
Danstoker A/S	USD 14.4	120.11	USD 11.9	97.98
First Energy Private Limited	-	-	-	0.15
Thermax Onsite Energy Solutions Limited	-	10.00	-	10.00
PT Thermax International Indonesia	USD 11.4	95.09	USD 11.4	93.87
Thermax SDN BHD, Malaysia	USD 1.1	9.18	USD 1.1	9.06
Thermax (Thailand) Ltd., Thailand	USD 2.5	20.85	USD 2.5	20.58
Total		935.64		2,527.98

The above guarantees have been issued for the purpose of various banking facilities for the subsidiaries.

(B) Disclosure of Ultimate Beneficiaries

For March 31, 2024:

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited	April 29, 2023	Equity	20.00	First Energy 4 Private Limited	April 30, 2023	Equity	20.00
First Energy Private Limited	May 23, 2023	Equity	30.71	First Energy 4 Private Limited	May 24, 2023	Equity	30.71
First Energy Private Limited	June 1, 2023	Equity	56.00	First Energy 5 Private Limited	June 1, 2023	Equity	39.50
				First Energy 6 Private Limited	June 1, 2023	Equity	16.50
First Energy Private Limited	June 2, 2023	Equity	30.00	First Energy 5 Private Limited	June 6, 2023	Equity	30.00
First Energy Private Limited	August 29, 2023	Equity	0.60	First Energy 5 Private Limited	August 29, 2023	Equity	0.60
First Energy Private Limited	August 29, 2023	Equity	1.50	First Energy 6 Private Limited	August 29, 2023	Equity	1.50
First Energy Private Limited	September 21, 2023	Equity	1.43	First Energy 3 Private Limited	September 21, 2023	Loan	1.43
First Energy Private Limited	November 23, 2023	Equity	15.00	First Energy 6 Private Limited	November 24, 2023	Equity	15.00
First Energy Private Limited	January 11, 2024	Equity	13.38	First Energy 7 Private Limited	January 12, 2024	Equity	13.38



Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited	January 30, 2024	Equity	65.35	First Energy 8 Private Limited	February 2, 2024	Equity	65.35
Thermax Engineering Singapore Pte Ltd	December 13, 2023	Equity	USD 3.5 Million (INR 29.19 crs)	PT Thermax International Indonesia	December 20, 2023	Equity	USD 3.5 Million (INR 29.19 crs)
Thermax Onsite Energy Solutions Limited	July 17, 2023	Equity	36.00	Thermax Energy & Environment Srilanka Pvt Ltd	August 30, 2023	Equity	USD 0.528 Million (Rs. 4.374 crs)
				Thermax Energy & Environment Srilanka Pvt Ltd	October 27, 2023	Equity	USD 3.0 Million (Rs. 24.984 crs)
First Energy Private Limited	February 15, 2023	Loan	3.43	First Energy 6 Private Limited	April 5, 2023	Loan	3.43
First Energy Private Limited	February 15, 2023	Loan	0.60				
First Energy Private Limited	March 14, 2023	Loan	0.95	First Energy 5 Private Limited	April 6, 2023	Loan	2.77
First Energy Private Limited	March 29, 2023	Loan	1.22				
First Energy Private Limited	March 29, 2023	Loan	1.50	First Energy 5 Private Limited	April 26, 2023	Loan	1.50
First Energy Private Limited	July 3, 2023	Loan	5.50	First Energy 4 Private Limited	July 3, 2023	Loan	5.50
First Energy Private Limited	July 5, 2023	Loan	11.00	First Energy 4 Private Limited	July 5, 2023	Loan	11.00
First Energy Private Limited	July 11, 2023	Loan	27.00	First Energy 4 Private Limited	July 11, 2023	Loan	27.00
First Energy Private Limited	July 11, 2023	Loan	38.70	First Energy 4 Private Limited	July 11, 2023	Loan	38.70
First Energy Private Limited	July 27, 2023	Loan	15.50	First Energy 4 Private Limited	August 1, 2023	Loan	15.50
First Energy Private Limited	August 7, 2023	Loan	10.50	First Energy 4 Private Limited	August 7, 2023	Loan	10.50
First Energy Private Limited	August 10, 2023	Loan	5.00	First Energy 4 Private Limited	August 11, 2023	Loan	5.00
First Energy Private Limited	September 4, 2023	Loan	0.20	First Energy 4 Private Limited	September 5, 2023	Loan	0.20
First Energy Private Limited	August 11, 2023	Loan	18.50	First Energy 4 Private Limited	August 11, 2023	Loan	18.50
First Energy Private Limited	August 29, 2023	Loan	4.50	First Energy 6 Private Limited	August 29, 2023	Loan	4.50
First Energy Private Limited	September 5, 2023	Loan	14.30	First Energy 6 Private Limited	September 5, 2023	Loan	14.30
First Energy Private Limited	September 11, 2023	Loan	17.20	First Energy 6 Private Limited	September 11, 2023	Loan	17.20

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited	September 13, 2023	Loan	74.14	First Energy 6 Private Limited	September 14, 2023	Loan	11.74
				First Energy 5 Private Limited	September 14, 2023	Loan	62.40
First Energy Private Limited	September 21, 2023	Loan	2.50	First Energy 3 Private Limited	September 21, 2023	Loan	2.50
First Energy Private Limited	September 28, 2023	Loan	1.00	First Energy 2 Private Limited	September 28, 2023	Loan	1.00
First Energy Private Limited	October 4, 2023	Loan	3.50	First Energy 6 Private Limited	October 4, 2023	Loan	3.50
First Energy Private Limited	October 9, 2023	Loan	1.50	First Energy 6 Private Limited	October 9, 2023	Loan	1.50
First Energy Private Limited	October 11, 2023	Loan	6.50	First Energy 6 Private Limited	October 11, 2023	Loan	6.50
First Energy Private Limited	October 3, 2023	Loan	39.40	First Energy 5 Private Limited	October 4, 2023	Loan	17.20
				First Energy 6 Private Limited	October 4, 2023	Loan	22.20
First Energy Private Limited	October 30, 2023	Loan	0.40	First Energy 4 Private Limited	October 30, 2023	Loan	0.40
First Energy Private Limited	November 6, 2023	Loan	5.84	First Energy 6 Private Limited	November 6, 2023	Loan	5.84
First Energy Private Limited	November 15, 2023	Loan	8.00	First Energy 5 Private Limited	November 15, 2023	Loan	8.00
First Energy Private Limited	November 23, 2023	Loan	14.35	First Energy 7 Private Limited	November 23, 2023	Loan	8.58
				First Energy TN1 Private Limited	November 24, 2023	Loan	5.77
First Energy Private Limited	November 23, 2023	Loan	0.77	First Energy TN1 Private Limited	November 24, 2023	Loan	0.77
First Energy Private Limited	December 13, 2023	Loan	1.00	First Energy 5 Private Limited	December 13, 2023	Loan	1.00
First Energy Private Limited	December 21, 2023	Loan	8.75	First Energy 5 Private Limited	December 21, 2023	Loan	8.75
First Energy Private Limited	December 26, 2023	Loan	5.25	First Energy 5 Private Limited	December 26, 2023	Loan	5.25
First Energy Private Limited	December 28, 2023	Loan	3.50	First Energy 5 Private Limited	December 28, 2023	Loan	3.50
First Energy Private Limited	January 29, 2024	Loan	1.30	First Energy 4 Private Limited	January 29, 2024	Loan	1.30
First Energy Private Limited	February 6, 2024	Loan	2.10	First Energy TN1 Private Limited	February 7, 2024	Loan	2.10
First Energy Private Limited	February 8, 2024	Loan	4.62	First Energy 5 Private Limited	February 8, 2024	Loan	2.62
				First Energy 6 Private Limited	February 8, 2024	Loan	2.00



Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited	March 1, 2024	Loan	13.00	First Energy 5 Private Limited	March 1, 2024	Loan	13.00
First Energy Private Limited	March 5, 2024	Loan	14.80	First Energy 5 Private Limited	March 5, 2024	Loan	14.80
First Energy Private Limited	March 12, 2024	Loan	14.70	First Energy 5 Private Limited	March 12, 2024	Loan	14.70
First Energy Private Limited	March 19, 2024	Loan	4.35	First Energy 5 Private Limited	March 19, 2024	Loan	4.35
First Energy Private Limited	March 19, 2024	Loan	3.10	First Energy 6 Private Limited	March 19, 2024	Loan	3.10
First Energy Private Limited	March 21, 2024	Loan	4.35	First Energy 5 Private Limited	March 21, 2024	Loan	4.35
First Energy Private Limited	March 28, 2024	Loan	17.40	First Energy 5 Private Limited	March 28, 2024	Loan	17.40

For March 31, 2023:

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited	June 30, 2022	Equity	12.50	Jalansar Wind Energy Private Limited	August 1, 2022	Equity	1.60
				Kanakal Wind Energy Private Limited	August 1, 2022	Equity	2.40
				First Energy 2 Private Limited	July 5, 2022	Equity	2.00
				First Energy 2 Private Limited	July 7, 2022	Equity	0.25
				First Energy 2 Private Limited	July 29, 2022	Equity	1.25
				First Energy 2 Private Limited	August 1, 2022	Equity	5.00
				First Energy 3 Private Limited	August 4, 2022	Loan	38.91
First Energy Private Limited	August 4, 2022	Loan	43.00	First Energy 3 Private Limited	August 18, 2022	Loan	0.75
				First Energy 3 Private Limited	August 23, 2022	Loan	0.10
				First Energy 3 Private Limited	September 14, 2022	Loan	0.20
				First Energy 3 Private Limited	December 31, 2022	Loan	3.04

Name of the subsidiary	Date of investment into subsidiary	Nature of transactions	Amount invested in subsidiary	Name of the beneficiary	Date of further investment by subsidiary into beneficiary	Nature of transactions	Amount invested by subsidiary into beneficiary
First Energy Private Limited	September 5, 2022	Equity	10.00	First Energy 3 Private Limited	September 7, 2022	Equity	5.00
				First Energy 3 Private Limited	September 8, 2022	Equity	5.00
First Energy Private Limited	September 8, 2022	Equity	30.00	First Energy 3 Private Limited	September 12, 2022	Equity	30.00
First Energy Private Limited	November 28, 2022	BG/LC	7.76	First Energy 3 Private Limited	November 28, 2022	Security	7.76
First Energy Private Limited	January 20, 2023	BG/LC	6.03	First Energy 3 Private Limited	January 20, 2023	Security	6.03
First Energy Private Limited	December 26, 2022	Loan	22.00	First Energy 3 Private Limited	December 26, 2022	Loan	22.00
First Energy Private Limited	December 28, 2022	Loan	55.00	First Energy 3 Private Limited	December 28, 2022	Loan	55.00
First Energy Private Limited	January 19, 2023	Loan	102.00	First Energy 4 Private Limited	January 19, 2023	Loan	102.00
First Energy Private Limited	January 31, 2023	Equity	23.84	First Energy 3 Private Limited	February 2, 2023	Equity	33.84
First Energy Private Limited	February 1, 2023	Equity	10.00				
First Energy Private Limited	February 15, 2023	Loan	25.97	First Energy 4 Private Limited	February 15, 2023	Loan	8.50
				First Energy 5 Private Limited	February 15, 2023	Loan	12.00
				First Energy 6 Private Limited	March 23, 2023	Loan	5.47
First Energy Private Limited	March 1, 2023	Loan	22.00	First Energy 3 Private Limited	March 1, 2023	Equity	22.00
First Energy Private Limited	March 14, 2023	Loan	24.05	First Energy 4 Private Limited	March 14, 2023	Loan	7.52
				First Energy 4 Private Limited	March 20, 2023	Loan	0.18
				First Energy 5 Private Limited	March 14, 2023	Loan	10.81
				First Energy 5 Private Limited	March 20, 2023	Loan	0.29
				First Energy 6 Private Limited	March 23, 2023	Loan	5.25
First Energy Private Limited	March 29, 2023	Loan	9.28	First Energy 4 Private Limited	March 29, 2023	Loan	5.38
				First Energy TN1 Private Limited		Loan	0.90
				First Energy 5 Private Limited		Loan	3.00

Other than as disclosed above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

32 Related Party Disclosures

A Subsidiaries

Unless otherwise stated, the subsidiaries have share capital consisting solely of equity shares that are held directly or indirectly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Sr. No.	Name of the entity	Place of business/Country of incorporation	Ownership interest	
			As at March 31, 2024	As at March 31, 2023
1	Thermax Onsite Energy Solutions Limited	India	100%	100%
2	Thermax Instrumentation Limited	India	100%	100%
3	Thermax Engineering Construction Company Limited	India	100%	100%
4	Thermax Sustainable Energy Solutions Limited [#]	India	NA	100%
5	Thermax International Limited	Mauritius	100%	100%
6	Thermax Europe Ltd.	United Kingdom	100%	100%
7	Thermax Inc.*	U.S.A.	100%	100%
8	Thermax do Brasil Energia-e Equipamentos Ltda.	Brazil	100%	100%
9	Thermax Netherlands B.V.	Netherlands	100%	100%
10	Thermax Denmark ApS*	Denmark	100%	100%
11	Danstoker A/S*	Denmark	100%	100%
12	Ejendomsanp artsselskabet Industrivej Nord 13*	Denmark	100%	100%
13	Boilerworks A/S*	Denmark	100%	100%
14	Danstoker Poland S.p.Z.o.o.*	Poland	100%	100%
15	Rifox-Hans Richter GmbH Spezialarmaturen	Germany	100%	100%
16	Thermax SDN. BHD*	Malaysia	100%	100%
17	Thermax Engineering Singapore Pte. Ltd.	Singapore	100%	100%
18	PT Thermax International Indonesia*	Indonesia	100%	100%
19	Thermax Senegal S.A.R.L.**	Senegal	NA	NA
20	First Energy Private Limited	India	100%	100%
21	First Energy TN 1 Private Limited*	India	74%	74%

Sr. No.	Name of the entity	Place of business/Country of incorporation	Ownership interest	
			As at March 31, 2024	As at March 31, 2023
22	First Energy 2 Private Limited*	India	74%	74%
23	First Energy 3 Private Limited*	India	74%	74%
24	First Energy 4 Private Limited*	India	74%	100%
25	First Energy 5 Private Limited*	India	74%	100%
26	First Energy 6 Private Limited*	India	74%	100%
27	First Energy 7 Private Limited*	India	71%	100%
28	First Energy 8 Private Limited*	India	100%	-
29	First Energy Nine Private Limited*	India	100%	-
30	First Energy 10 Private Limited*	India	100%	-
31	Jalansar Wind Energy Private Limited*	India	74%	74%
32	Kanakal Wind Energy Private Limited*	India	74%	74%
33	Thermax Bioenergy Solutions Private Limited	India	65%	65%
34	Thermax Energy and Environment Philippines Corporation*	Philippines	100%	100%
35	Thermax Energy & Environment Lanka (Private) Limited*	Sri Lanka	100%	100%
36	Thermax Nigeria Limited*	Nigeria	100%	100%
37	Thermax Babcock & Wilcox Energy Solutions Limited	India	100%	100%
38	Thermax Cooling Solutions Limited	India	100%	100%
39	Thermax Engineering Construction FZE*	Nigeria	100%	100%
40	Thermax International Tanzania Limited*	Tanzania	100%	100%
41	Thermax (Thailand) Limited*	Thailand	100%	100%
42	Enernxt Private Limited*	India	100%	100%
43	Thermax Employee ESOP and Welfare Trust**	India	-	-
44	Boilerworks Properties ApS Industrivej [^]	Denmark	100%	100%

*Held indirectly

[^]Liquidated during the year FY 22-23.

[#]Liquidated during the year FY 23-24.

^{**}The Company has all ESOP trust and Employee Welfare Trusts set up for the welfare of the employees. Pursuant to the arrangement between the Trusts and the Company, the Company has determined that it has power to direct the relevant activities of the trust while being exposed to variable returns from its involvement with these entities.

B Holding Company

Sr. No.	Name of the entity	Place of business/Country of incorporation	Ownership interest	
			As at March 31, 2024	As at March 31, 2023
1	RDA Holdings Private Limited	India	53.99%	53.99%

C Associates

Sr. No.	Name of the entity	Place of business/Country of incorporation	Ownership interest	
			As at March 31, 2024	As at March 31, 2023
1	Exactspace Technologies Private Limited	India	15.17%	10.41%
2	Covascis Technologies Private Limited	India	16.67%	16.67%

D Individuals having significant influence over the Company by reason of voting power and their relatives:

- 1 Mrs. Meher Pudumjee - Chairperson
- 2 Mrs. Anu Aga - Relative of Director/Chairperson
- 3 Mr. Pheroze Pudumjee - Director
- 4 Mr. Zahaan Pudumjee - Relative of Director/Chairperson
- 5 Ms. Lea Pudumjee - Relative of Director/Chairperson

E Key Management Personnel

- 1 Mr. Ashish Bhandari - Managing Director and Chief Executive Officer
- 2 Dr Valentin A. H. von Massow - Independent Director (ceased to be director w.e.f. July 21, 2022)
- 3 Dr Jairam Varadaraj - Independent Director
- 4 Mr. Nawshir Mirza - Independent Director
- 5 Mr. Harsh Mariwala - Independent Director
- 6 Mr. Sashishekhar Balakrishna (Ravi) Pandit - Independent Director
- 7 Mrs. Rajani Kesari - Independent Director
- 8 Mr. Rajendran Arunachalam - Chief Financial Officer
- 9 Ms. Janhavi Khele - Company Secretary
- 10 Mr. Ravi Shankar Gopinath - Independent Director
- 11 Mr. Shyamak Tata - Independent Director (w.e.f. October 17, 2023)

F Enterprises with whom transactions have taken place during the year, over which control is exercised by individuals listed in 'D' and 'E' above:

- 1 Thermax Foundation, India
- 2 ARA Trusteeship Company Private Limited, India
- 3 Marico Limited, India
- 4 Elgi Ultra Industries Limited, India
- 5 Elgi Equipments Limited, India
- 6 The Akanksha Foundation, India
- 7 Festo India Private Limited, India
- 8 Kirtane & Pandit LLP, India

G Transactions with related parties for the year ended March 31, 2024:

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the company mentioned in E	Total
a. Transactions during the year					
Revenue from contracts with customers	342.56	-	0.42	-	342.98
Miscellaneous income	8.18	-	-	-	8.18
Interest income	15.98	-	-	-	15.98
Dividend income	4.50	-	-	-	4.50
Recovery of expenses	80.36	-	-	-	80.36
Purchase of raw material and components	131.41	-	0.89	-	132.30
Purchase of PPE/ CWIP	2.06	-	-	-	2.06
Site expenses and contract labour charges	36.82	-	-	-	36.82
Reimbursement of expenses	36.94	-	-	-	36.94
Power and fuel	5.11	-	-	-	5.11
Other expenses	0.51	3.35	-	-	3.86
Remuneration to Key Management Personnel*	-	-	-	9.48	9.48
CSR expenditure	-	-	5.93	-	5.93
Investment in equity/preference shares	318.08	3.50	-	-	321.58
Loans given	552.02	-	-	-	552.02
Loan Recovered	536.30	-	-	-	536.30
Director's sitting fees	-	-	-	1.15	1.15
Commission paid	-	-	-	6.82	6.82
Rent paid	0.83	-	-	0.60	1.43

*Does not include gratuity and leave encashment since the same is calculated for all employees of the company as a whole.

The above table excludes dividend paid to RDA Holdings Private Limited, India Rs. 64.33 and to Employee Welfare and ESOP Trust Rs. 6.54.

Transactions carried out in the capacity of agent with TBWES:

Description	As at March 31, 2024
Revenue from contracts with customers	0.06
Purchase of raw material and components	194.22

Receivables and Payables arising in the capacity of agent with TBWES have been presented on a net basis in the financial statements.

During the year, the Company got reimbursement of employee cost from TBWES amounting to Rs. 0.70.

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the company mentioned in E	Total
b. Balances as at reporting date					
Trade receivables [^]	93.12	-	-	-	93.12
Advances given [#]	30.17	-	-	-	30.17
Loans given [*]	193.16	-	-	-	193.16
Trade payables	85.81	-	-	-	85.81
Customer advances received	25.59	-	-	-	25.59
Security deposits given	-	-	-	0.18	0.18
Guarantee /letter of comfort given on behalf of subsidiaries	1,293.04	-	-	-	1,293.04

[^]Before impairment provision Rs. 3.34 (March 31, 2023: Rs. 4.21)

[#]Before impairment provision Rs. 4.12 (March 31, 2023: Rs. 4.12)

^{*}Includes capital advances of Rs. 0.65 (March 31, 2023: Rs. 0.65)

H Transactions with related parties for the year ended March 31, 2023:

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the company mentioned in E	Total
a. Transactions during the year					
Revenue from contracts with customers	346.58	-	2.71	-	349.29
Commission income	0.01	-	-	-	0.01
Miscellaneous income	4.99	-	-	-	4.99
Interest income	6.42	-	-	-	6.42
Dividend income	7.09	-	-	-	7.09
Recovery of expenses	85.94	-	-	-	85.94
Purchase of raw material and components	189.70	-	5.49	-	195.19
Site expenses and contract labour charges	58.54	-	-	-	58.54
Reimbursement of expenses	25.04	-	-	-	25.04
Other expenses	2.23	3.47	-	-	5.70
Remuneration to Key Management Personnel [*]	-	-	-	8.13	8.13
CSR expenditure	-	-	5.37	-	5.37

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the company mentioned in E	Total
Investment in equity shares [#]	90.17	-	-	-	90.17
Loans given	341.00	-	-	-	341.00
Loan recovered	172.51	-	-	-	172.51
Director's sitting fees	-	-	-	0.76	0.76
Commission paid	-	-	-	5.35	5.35
Rent paid	0.99	-	-	0.63	1.62

^{*}Does not include gratuity and leave encashment since the same is calculated for all employees of the company as a whole.

The above table excludes dividend paid to RDA Holdings Private Limited, India Rs. 57.90 and to Employee Welfare and ESOP Trust Rs. 5.89.

Transactions carried out in the capacity of agent with TBWES:

Description	As at March 31, 2023
Revenue from contracts with customers	8.71
Purchase of raw material and components	52.07

Receivables and Payables arising in the capacity of agent with TBWES have been presented on a net basis in the financial statements.

During the year, the Company got reimbursement of employee cost from TBWES amounting to Rs. 0.55.

	Subsidiaries	Associates	Enterprises over which control is exercised by Individuals having significant influence over the company and Key Management Personnel	Key Management Personnel and Individuals having significant influence over the company mentioned in E	Total
b. Balances as at reporting date					
Trade receivables [^]	140.07	-	-	-	140.07
Advances given [#]	61.95	-	-	-	61.95
Loans given [*]	170.89	-	-	-	170.89
Trade payables	102.96	0.62	0.08	-	103.66
Advances received	38.11	-	0.03	-	38.14
Guarantee /letter of comfort given on behalf of subsidiaries	2,675.49	-	-	-	2,675.49

[^]Before impairment provision Rs. 4.21 (March 31, 2022: Rs. 0.30)

[#]Before impairment provision Rs. 4.12 (March 31, 2022: Rs. 4.12)

^{*}Includes capital advances of Rs. 0.65 (March 31, 2022: Rs. 0.90)

I Related party transactions include transactions pertaining to the following parties with whom the transactions are considered to be individually significant (percentage of the transactions being 10% or more of the total of transactions given in note 'G' and 'H' above):

	For the year ended March 31, 2024	For the year ended March 31, 2023
Transactions during the year		
Revenue from contracts with customers		
Thermax Inc., U.S.A.	125.97	156.17
Thermax Onsite Energy Solutions Limited	89.10	51.79
Thermax Babcock & Wilcox Energy Solutions Limited	44.80	64.78
Thermax Europe Limited., U.K	30.08	45.31
Commission income		
Thermax Engineering Construction Company Limited	-	0.01
Miscellaneous income		
Thermax Babcock & Wilcox Energy Solutions Limited	7.99	4.25
Interest income		
First Energy Private Limited	15.99	6.42
Dividend income		
Thermax Engineering Construction Company Limited	-	7.09
Thermax Instrumentation Limited	4.50	-
Recovery of expenses		
Thermax Babcock & Wilcox Energy Solutions Limited	52.60	43.91
Thermax Inc., U.S.A.	9.96	24.45
Purchase of raw material and components		
Thermax Babcock & Wilcox Energy Solutions Limited	129.24	177.12
Purchase of PPE/ CWIP		
First Energy Private Limited	2.06	-
Site expenses and contract labour charges		
Thermax Instrumentation Limited	35.47	57.73
Reimbursement of expenses		
Thermax (Thailand) Limited, Thailand	14.57	10.48
Thermax Inc., U.S.A.	4.92	0.18
Thermax Nigeria Limited, Nigeria	2.68	2.63
Thermax SDN. BHD, Malaysia	2.05	2.66
Power and fuel		
Thermax Onsite Energy Solutions Limited	5.11	-
Other expenses		
Exactspace Technologies Private Limited	2.96	3.37
PT Thermax International, Indonesia	0.50	0.08
Remuneration to Key Management Personnel, excluding commission		
Mr. Rajendran Arunachalam	2.30	1.78
Mr. Ashish Bhandari	6.70	5.91
Ms. Janhavi Khele	0.49	0.44
CSR expenditure		
Thermax Foundation	5.93	5.37
Investment in equity shares		
First Energy Private Limited	250.59	86.44
Thermax Onsite Energy Solutions Limited	36.00	-

	For the year ended March 31, 2024	For the year ended March 31, 2023
Transactions during the year		
Loans given		
First Energy Private Limited	552.02	341.00
Loans recovered		
First Energy Private Limited	536.30	172.51
Directors sitting fees		
Mrs. Meher Pudumjee	0.10	0.09
Mr. Pheroze Pudumjee	0.13	0.11
Dr Valentin A. H. von Massow	-	0.03
Mr. Ravi Shankar Gopinath	0.31	0.09
Dr Jairam Varadaraj	0.11	0.11
Mr. Nawshir Mirza	0.12	0.11
Mr. Ravi Pandit	0.09	0.09
Mr. Harsh Mariwala	0.06	0.07
Mrs. Rajani Kesari	0.11	0.08
Mr. Shyamak Tata	0.05	-
Commission paid		
Mr. Ashish Bhandari	5.00	3.12
Mrs. Meher Pudumjee	0.46	0.46
Mr. Pheroze Pudumjee	0.18	0.23
Dr Valentin A. H. von Massow	-	0.32
Mr. Ravi Shankar Gopinath	-	0.08
Dr Jairam Varadaraj	0.18	0.18
Mr. Nawshir Mirza	0.38	0.38
Mr. Harsh Mariwala	0.23	0.23
Mr. Ravi Pandit	0.18	0.18
Mrs. Rajani Kesari	0.18	0.18
Rent paid		
Thermax Instrumentation Limited	0.63	0.63
Mrs. Anu Aga	0.60	0.63
Thermax Babcock & Wilcox Energy Solutions Limited	0.36	0.36
Balances as at year end		
Trade receivables		
Thermax Inc., U.S.A.	22.98	41.50
Thermax Denmark ApS	17.12	3.19
Thermax Babcock & Wilcox Energy Solutions Limited	16.62	47.69
Thermax Onsite Energy Solutions Limited	12.12	9.70

	As at March 31, 2024	As at March 31, 2023
Advances given		
Thermax Babcock & Wilcox Energy Solutions Limited	18.99	41.05
Thermax Instrumentation Limited	10.52	14.69
Loans given		
First Energy Private Limited	193.16	175.01
Trade payables		
Thermax Instrumentation Limited	14.36	28.58
Thermax Babcock & Wilcox Energy Solutions Limited	54.73	54.71
Advances received		
Thermax Energy & Environment Lanka (Private) Limited	9.35	-
Thermax Onsite Energy Solutions Limited	6.30	17.86
Thermax Bioenergy Solutions Private Limited	4.80	-
Thermax Babcock & Wilcox Energy Solutions Limited	4.80	14.16
Thermax Inc., U.S.A.	0.01	6.02
Security deposits		
Mrs. Anu Aga	0.18	0.18

For details of guarantee/letter of comfort given as at the closing date on behalf on subsidiaries, refer note 31 (A).

J Loans and advances in the nature of loans given to subsidiaries

	As at March 31, 2024	As at March 31, 2023
First Energy Private Limited		
Balance outstanding	193.16	173.12
Maximum amount outstanding during the year	290.34	297.12

K Terms and conditions of related party transactions

The revenues and purchases from related parties are assessed to be at arm's length transactions by the management. Outstanding balances at the year-end are unsecured and interest free except loans given and settlement occurs in cash. Refer note 31(A)(a) for terms and conditions for loans to related parties.

There have been no guarantees provided or received for any related party receivables or payables except as disclosed in Note 31.

As at year ended March 31, 2024, the Company has recorded an impairment of receivables amounting to Rs. 3.34 (March 31, 2023: Rs. 4.21) and impairment of loan amounting to Rs. 4.12 relating to amounts owed by related parties (March 31, 2023: Rs. 4.12). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

33 Segment Information

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company has identified the Managing Director and Chief Executive Officer as the chief operating decision maker of the Company.

Judgments

Ind AS 108 - "Operating Segments", requires Management to determine the reportable segments for the purpose of disclosure in standalone financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The standard also requires Management to make judgments with respect to aggregation of certain operating segments into one or more reportable segment.

Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Managing Director and Chief Executive Officer to assess performance and allocate resources. The management has determined that some of the segments exhibit similar economic characteristics and meet other aggregation criteria and accordingly aggregated into three reportable segments i.e. Industrial Products, Industrial Infra and Chemical.

Disclosure of segment information:

In accordance with para 4 of Ind AS 108 - Operating Segments, the Company has disclosed segment information in the consolidated financial statements.

34 Fair Value Measurements

a) Category of financial instruments and valuation techniques

(i) Financial assets

Details of financial assets carried at amortised cost:

	As at March 31, 2024	As at March 31, 2023
Trade receivables	1,641.72	1,323.16
Loans	191.78	174.55
Investments	356.25	521.24
Other financial assets	145.84	223.69
Cash and cash equivalents	263.62	120.82
Bank balances other than cash and cash equivalents (includes fixed deposits with banks)	83.14	287.66
Total	2,682.35	2,651.12
Current assets	2,525.77	2,525.34
Non-current assets	156.58	125.78
Total	2,682.35	2,651.12

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Details of financial assets carried at fair value through profit and loss:

	As at March 31, 2024	As at March 31, 2023
Investments	992.12	951.94
Total	992.12	951.94
Current assets	758.85	662.64
Non-current assets	233.27	289.30
Total	992.12	951.94

The fair values of the quoted shares are based on price quotations at the reporting date and unquoted mutual funds are based on Net Asset Value as at the reporting date.

Details of derivative assets:

	As at March 31, 2024	As at March 31, 2023
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	0.72	1.11
Derivative not designated as hedges		
Foreign exchange forward contracts	1.35	1.84
Total	2.07	2.95
Current assets	2.07	2.95
Non-current assets	-	-
Total	2.07	2.95

(ii) Financial liabilities

Details of financial liabilities carried at amortised cost:

	As at March 31, 2024	As at March 31, 2023
Borrowings	307.80	220.00
Trade payable	1,116.66	1,072.53
Employee related payables	93.37	72.33
Other liabilities	20.40	16.24
Total	1,538.23	1,381.10
Current liabilities	1,490.11	1,344.14
Non-current liabilities	48.12	36.96
Total	1,538.23	1,381.10

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Details of derivative liabilities:

	As at March 31, 2024	As at March 31, 2023
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	1.05	0.57
Derivative not designated as hedges		
Foreign exchange forward contracts	2.24	3.68
Total	3.29	4.25
Current liabilities	3.29	4.25
Non-current liabilities	-	-
Total	3.29	4.25

The Company enters into derivative financial instruments in the nature of forward exchange contracts with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs which captures credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024:

	Date of valuation	Level 1	Level 2	Level 3*
Financial assets				
Investments				
Equity instruments	March 31, 2024	-	-	-
Preference shares	March 31, 2024	-	-	76.67
Mutual funds	March 31, 2024	915.45	-	-
Corporate deposits	March 31, 2024	-	132.94	-
Derivative financial assets	March 31, 2024	-	2.07	-
Financial liabilities				
Derivative financial liabilities	March 31, 2024	-	3.29	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023:

	Date of valuation	Level 1	Level 2	Level 3*
Financial assets				
Investments				
Equity instruments	March 31, 2023	-	-	-
Preference shares	March 31, 2023	-	-	72.46
Mutual funds	March 31, 2023	879.48	-	-
Corporate deposits	March 31, 2023	-	359.46	-
Derivative financial assets	March 31, 2023	-	2.95	-
Financial liabilities				
Derivative financial liabilities	March 31, 2023	-	4.25	-

There has been no transfer between Level 1 and Level 2 during the year and during the previous year.

Valuation of financial assets in Level 3 has been done based on discounting of future cash flows. There are no transfers into or out of Level 3 of the fair value hierarchy during the year.

*The movement in Level 3 is on account of interest accretion which is recognised under interest income in the statement of profit and loss.

35

(a) Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL and amortised cost investments and enters into derivative transactions.

Risk is inherent in the Company's activities but it is managed through a process of on going identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the years ended March 31, 2024 and March 31, 2023. The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

I Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not currently exposed significantly to such risk.

b Foreign currency risk

Foreign exchange risk arises when future commercial transactions and relevant assets and liabilities are denominated in a currency that is not the Company's functional currency. Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk is managed on the basis of limits determined by management and a continuous assessment of current and expected exchange rate movements and entering into derivative contracts (foreign currency forward contracts) that hedge the maximum period of exposure of underlying transactions (i.e. highly probable forecast sales and purchases).

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of expected settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, JPY, SEK and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives not designated as cash flow hedge and foreign currency derivatives with underlying foreign currency monetary assets/liabilities designated as cash flow hedge. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	Impact on profit before tax		Impact on other components of equity	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
USD Sensitivity				
INR/USD - Increase by 1%	(3.06)	(1.46)	(0.45)	(1.97)
INR/USD - Decrease by 1%	3.06	1.46	0.45	1.97
JPY Sensitivity				
INR/JPY - Increase by 1%	0.04	0.11	-	-
INR/JPY - Decrease by 1%	(0.04)	(0.11)	-	-
SEK Sensitivity				
INR/SEK - Increase by 1%	(0.17)	(0.03)	(0.01)	0.00
INR/SEK - Decrease by 1%	0.17	0.03	0.01	(0.00)
EURO Sensitivity				
INR/EUR - Increase by 1%	(0.19)	(0.02)	(0.01)	(0.05)
INR/EUR - Decrease by 1%	0.19	0.02	0.01	0.05

Favourable impact shown as positive and adverse impact as negative.

The exposure to other foreign currencies is not significant to the Company's financial statements.

c Price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. These securities are unquoted. The Company manages the price risk through diversification and by placing limits on individual and total equity/mutual fund instruments. Further, the price risk is also mitigated by switching the investment portfolio between investment in equity/mutual fund instruments and investments in bank deposits. Reports on the investment portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions. The Company is not currently exposed significantly to such risk.

II Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on losses as per historical data. The maximum exposure to credit risk at the reporting date is the carrying value disclosed in notes 7 and 9(b) above. The charge of impairment to Statement of profit and loss is disclosed in note 27(a) above. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and bank deposits

Credit risk from balances with banks, mutual funds, loans and other financial assets are managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties having a good market reputation and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for bank balances and deposits as at March 31, 2024 and March 31, 2023 is the carrying amounts as disclosed in Note 9(a) and 13, maximum exposure relating to financial guarantees is disclosed in note 31 (A) and financial derivative instruments in notes 9(b) and 17(a) to the financial statements.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at operating segments level in the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting future cash flows and considering the level of liquid assets necessary to meet these and monitoring balance sheet liquidity ratios against internal requirements.

The tables below summarises the Company's financial liabilities into relevant maturity profile based on contractual undiscounted payments:

March 31, 2024	< 1 year	1 to 3 years	> 3 years
Non-derivative			
Borrowings	307.80	-	-
Trade payables	1,072.83	43.83	-
Other financial liabilities			
Unpaid dividend	0.61	-	-
Lease obligation	1.59	4.29	-
Other payables	105.78	-	-
Liability towards employee separation Scheme	1.50	-	-
Derivatives (net settled)			
Foreign exchange forward contracts	3.29	-	-

March 31, 2023	< 1 year	1 to 3 years	> 3 years
Non-derivative			
Borrowings	220.00	-	-
Trade payables	1,038.08	34.45	-
Other financial liabilities			
Unpaid dividend	0.69	-	-
Lease obligation	1.66	2.51	-
Other payables	82.69	-	-
Liability towards employee separation Scheme	1.02	-	-
Derivatives (net settled)			
Foreign exchange forward contracts	4.25	-	-

(b) Hedging Activities and Derivatives

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in USD, EUR, SEK and forecast purchases in USD, JPY, SEK, EUR. These forecast transactions are highly probable, and cover the Company's expected future sales and future purchases based on the orders received.

While the Company also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

	As at March 31, 2024		As at March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign exchange forward contracts designated as hedging instruments	2.07	(3.29)	2.95	(4.25)

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss. Notional amounts of hedged instruments mentioned as assets for export transaction and as liabilities for import transactions, are as mentioned below:

	As at March 31, 2024		As at March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Foreign exchange forward contracts	127.01	(15.77)	255.37	(17.96)
Derivatives not designated as hedges				
Foreign exchange forward contracts	609.77	(78.91)	458.09	(109.19)

Majority of the derivative contracts mature within the next 12 months.

The cash flow hedges of the expected future sales and purchases were assessed to be highly effective and following net unrealised gain/(loss) with a deferred tax asset/(liability) relating to the hedging instruments, is included in OCI.

	As at March 31, 2024		As at March 31, 2023	
	Expected future sales	Expected future purchases	Expected future sales	Expected future purchases
Unrealised gain/(loss)	(0.91)	(0.00)	0.28	(0.00)
Deferred tax asset/(liability)	0.23	(0.00)	(0.07)	(0.00)
	(0.68)	(0.00)	0.21	(0.00)

The amounts retained in OCI at March 31, 2024 are expected to mature and affect the statement of profit and loss during the year ending March 31, 2025.

Reclassifications to profit or loss during the year gains or losses included in OCI are shown in Note 29.

36 Key Financial Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Description	Numerator	Denominator	FY 2023-24	FY 2022-23	Variance
Current ratio	Current assets	Current liabilities	1.29	1.36	-5%
Debt-Equity ratio	Total debt (including current maturities of long term borrowings)	Shareholder's Equity	0.09	0.07	27%
Debt service coverage ratio	Earnings available for debt service [^]	Debt service [*]	1.60	1.79	-10%
Return on equity ratio	Profit after tax and exceptional items	Average Shareholder's Equity	12.95%	10.59%	22%
Inventory turnover ratio	Cost of goods sold	Average inventories	8.34	7.83	7%
Debtors turnover ratio	Revenue from contracts with customers	Average trade receivables	3.90	4.18	-7%
Trade payables turnover ratio	Total supplier purchases	Average trade payables	4.23	3.99	6%
Net capital turnover ratio	Revenue from contracts with customers	Working capital ^{**}	5.96	4.97	20%
Net profit ratio	Profit after tax and exceptional items	Revenue from contracts with customers	7.56%	6.43%	18%
Return on capital employed (ROCE)	Profit before tax and exceptional items plus finance cost	Capital employed ^{***}	17.02%	13.79%	23%
Return on investment (ROI)	Realised gains and unrealised gains on investments	Weighted daily timed investments	7.86%	5.17%	52%

Explanations:

Debt-Equity ratio - Loan availed for the execution of import orders;

Return on investment (ROI) - Investment in corporate and bank fixed deposit, Bonds/NCDs having better returns. Also, mutual funds returns are better as compared to last year.

[^]Profit after tax + finance cost + loss on sale of fixed assets + depreciation and amortisation for the period

^{*}Current borrowings + non-current lease liability + current lease liability + interest & lease payments paid

^{**}Total current assets - total current liabilities

^{***}Total equity + non-current borrowings

37 Transactions with Struck off Companies

There are no shares held by struck off companies. Below are details of investment, receivable, payable and any other transactions outstanding with struck off companies.

For the year ended March 31, 2024, there are no transactions with struck off companies

For the year ended March 31, 2023:

Name of struck off company	Nature of transactions	Transaction during the year	Balance outstanding at the end of the year	Relationship with the struck off Company, if any, to be disclosed
Semicon Speciality Gases Limited	Receivable	0.26	-	None

38 Share Based Payments

Employees Stock Option Plan 2021 (ESOP 2021)

The Board of Directors and the shareholders of the Company approved Employee Stock Option Plan at their meeting in January 2022. Pursuant to this approval, the Company instituted ESOP 2021 Plan in January 2022. The nomination and remuneration committee of the Company administers this Plan. Each option carries with it the right to purchase one equity share of the Company. The Options have been granted to employees of the Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such option. Option granted under ESOP 2021 shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 3 (Three) years from the date of grant. The vesting of the options is 33%, 33% and 34% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year:

	As at March 31, 2024		As at March 31, 2023	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	21,609	15.25	-	-
Granted during the year	28,558	15.25	22,633	15.25
Forfeited during the year	2,580	15.25	1,024	15.25
Exercised during the year	5,888	15.25	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	41,699	15.25	21,609	15.25
Options exercisable at the end of the year	5,079	15.25	-	15.25

The weighted average remaining contractual life is as follows:

Exercise Price	As at March 31, 2024		As at March 31, 2023	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
Rs. 15.25	Ranging between 1.89 - 1.90	41,699	Ranging between 1.89 - 1.90	21,609

The fair value of each option is estimated on the date of grant using Black and Scholes option pricing model with the following assumptions:

	As at March 31, 2024	As at March 31, 2023
1. Exercise price (Rs.)	15.25	15.25
2. Price of the underlying share in market at the time of the option grant (Rs.)	Ranging between 2,139.45 - 2,415.85	Ranging between 2,139.45 - 2,170.40
3. Weighted average fair value of options granted (Rs.)	Ranging between 2,105.39 - 2,379.45	Ranging between 2,105.39 - 2,136.06
4. Expected life of the option (years)	3-5	3-5
5. Risk free interest rate (%)	Ranging between 6.53% - 7.05%	Ranging between 6.53% - 6.59%
6. Expected volatility (%)	Ranging between 12.86% - 13.14%	12.86%
7. Dividend yield (%)	0.48%	0.48%

The Company recorded an employee compensation cost of Rs. 3.94 (March 31, 2023: Rs. 2.05) in the Statement of Profit and Loss.

The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.

39 Capital Management

The Company's objective for capital management is to maximise long term shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. No changes were made in the objectives, policies or processes during the years ended March 31, 2024 and March 31, 2023. Capital represents equity attributable to equity holders of the Company.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Borrowings	307.80	220.00
Lease liabilities	5.88	4.17
Less: Cash and cash equivalents (includes deposits with maturity of more than 3 months but less than 12 months)	(346.76)	(408.48)
Net (surplus)/debt	(33.08)	(184.31)
Equity	3,536.70	3,217.76
Capital and net debt	3,503.62	3,033.45
Gearing ratio	NA	NA

40 Exceptional Items

	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision related to litigation	50.63	-
Gain on sale of Property, Plant and Equipment	(126.12)	-
Impairment charge/(write back) in subsidiaries *		
Thermax Engineering Singapore Pte. Ltd	73.41	3.00
Thermax Cooling Solutions Limited	-	(10.20)
	(2.08)	(7.20)

*Considering the current market scenario and performance of certain subsidiaries, the Company has accounted for impairment charge/(write back) on certain investments in subsidiaries.

41 Assets and Liabilities Classified as Held For Sale

Accounting policy

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group);
- An active programme to locate a buyer and complete the plan has been initiated (if applicable);
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

The Company has identified certain assets like Land, Building etc. which are available for sale in its present condition. The Company was committed to plan the sale of asset and an active programme to complete the sale has been initiated. The Company expects to dispose off this asset in the due course. Accordingly, non-current assets held for sale amounting to Rs. Nil (March 31, 2023: Rs. 6.53) (net book value) has been classified in the books of account. During the year, the Company has completed the sale amounting to Rs. 135.66 (March 31, 2023: Rs. Nil) and gain on this transaction is disclosed in note 40 above.

42 Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property;
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period;
- The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year;

- (iv) The Company has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961);
- (v) The Company has not been declared as a willful defaulter by any bank or financial institution or any other lender.

43 (A) Compliance with Section 143 (3) for Maintenance of Books of Account

With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of account and other relevant books and papers. Pursuant to this amendment, the Company is required to maintain the books of account which are accessible in India at all times and their backup is to be kept on servers located in India on a daily basis.

The Company has a process to take daily back-up of books of account maintained in electronic mode and along with the logs of the back-up of such books of account. However, the backup of certain books of account and books and records; maintained in electronic mode has not been maintained on servers physically located in India on daily basis.

Requirements u/s 143(3) of the Act	Employee Reimbursement System	SAP
Books of Account maintained on cloud/ servers physically located in India	No	Yes
Backup maintained in India on daily basis	No	Yes*

*The Company has defined process to take daily back-up of books of account maintained electronically and maintain the logs of backup of such books of account however the evidence are not available for the period April 1, 2023 to May 27, 2023.

The Company will take appropriate measures to comply with regulations.

43 (B) Compliance with Section 143 (3) for Audit Trail

The Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for changes made to master data in four accounting software's and changes made to the underlying database using privileged/administrative access rights. Further no instance of audit trail feature being tampered with was noted in respect of accounting software.

44 The Company has received a few allegations through the whistle-blower process during the last quarter of the year, alleging improper conduct and fraud by some employees in supply chain and related matters. Management is taking steps to review and assess these allegations. Based on the initial reviews performed, Management does not believe that these allegations, on completion of the review and assessment exercise, will result in having a material impact on these financial statements or the internal controls over financial reporting process as at March 31, 2024.

45 Business Combination

The Company had entered into a Share Purchase Agreement ("SPA") and a Shareholders Agreement ("SHA") on February 06, 2024 with TSA Process Equipments Private Limited (Target) and its shareholders to acquire 51% equity shares of Target subject to conditions precedents to the SPA. Subsequent to the year end, upon fulfilling of the condition's precedents, the Company has completed the acquisition of 51% of the shares of Target on April 19, 2024, (i.e., the Closing Date), for a consideration of Rs. 71.14. Further, the Company has a right to acquire remaining 49% of the shares over a period of two years from the closing date, subject to completion of certain conditions precedents mentioned in SPA. The Company is in the process of completing the purchase price allocation as on date.

TSA Process Equipment's Private Limited is engaged in the business of developing, designing, supplying, installing and commissioning of complete turn-key solutions for varied water treatment and distribution needs for high purity plants, reverse osmosis plants, demineralisation plant and sterile ultrafiltration plant of any capacity. With the acquisition of 51% equity stake in Target, Target has become a subsidiary of the Company with effect from the closing date, enabling the Company to take advantage of emerging opportunities in high purity water solutions."

46 Standards Issued But Not Yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

As per our report of even date attached For S R B C & CO LLP

Chartered Accountants
ICAI Firm Reg No. 324982E/E300003

per Vaibhav Kumar Gupta

Partner
Membership No. 213935

Place: Pune
Date: May 10, 2024

For and on behalf of the Board of Directors of Thermax Limited

Meher Pudumjee
Chairperson
DIN: 00019581

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Place: Pune
Date: May 10, 2024

Ashish Bhandari
Managing Director and CEO
DIN: 05291138

Janhavi Khele
Company Secretary



THERMAX

Corporate Office

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