2023-2024
ANNUAL REPORT
OF SUBSIDIARY COMPANIES

THERMAX

TRUSTED PARTNER IN ENERGY TRANSITION

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SUBSIDIARIES

DOMESTIC

OVERSEAS

THERMAX ENGINEERING CONSTRUCTION COMPANY LIMITED

Board of Directors
Ravinder Advani (upto April 24, 2024)
Pravin Karve
Rajesh B.C. (w.e.f February 1, 2024)
Shekhar Kashalikar (upto September 30, 2023)
Bhavesh Chheda

Registered Office
Thermax House,
14, Mumbai – Pune Road, Wakdewadi,
Pune – 411003

Auditors
B. K. Khare & Co.
Chartered Accountants
Demech House, 2nd Floor, 814, B wing, Law College Rd, Pune, Maharashtra 411004

Corporate Office
Energy House, D-II Block,
Plot No. 38 & 39
MIDC Chinchwad
Pune - 411 009

Bankers
Union Bank of India
ICICI Bank Limited

DIRECTORS' REPORT

Dear Shareholder,

The Directors present the Thirty Third Annual Report of the Company for the year ended March 31, 2024.

FINANCIAL SUMMARY / HIGHLIGHTS:

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total Income	**132.54**	835.45
Profit Before tax and Depreciation	**94.32**	875.03
Depreciation	**0.00**	0.00
Profit Before Tax	**94.32**	875.03
Profit After Tax	**94.32**	921.64

State of Company's affairs

For the year under review, the Company's total income is Rs. 132.54 lakh compared to Rs. 835.45 lakh in the previous year. The Company's profit before tax is Rs. 94.32 lakh (previous year, Rs. 875.03 lakh) and profit/ (Loss) after tax of Rs.94.32 lakh (previous year Rs. 921.64 lakh).

The Company does not have any order balance as on March 31, 2024.

Change in nature of business

There is no change in nature of business during the year under review.

Material changes affecting financial position of the Company

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.

Health and Safety

Health and Safety at project sites is of paramount importance to the Company. The Company strives for continuous improvement and its objective is to establish world class safety practices at sites. Safety culture is inculcated as part of day to day operations by site managers.

Dividend

The Board of Directors of your Company did not recommend any dividend during the financial year 2023-24.

Amount proposed to be carried to Reserves

The Company does not propose to carry any amount to reserves.

Share Capital

The Paid-up Share Capital of the Company is Rs. 450 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

Subsidiaries

Thermax Engineering Construction FZE (TEC FZE) Nigeria, a wholly owned subsidiary of the Company is primarily catering to the Erection & Commissioning and supervision of HRSG, Utility boilers, Flue gas coolers and Construction & commissioning of Hot Oil heater supplied to Dangote Petroleum Refinery and Petrochemical Free Zone Enterprise and Dangote Oil Refinery Co. Ltd., Lagos Nigeria. For the year ended March 31, 2024, TEC FZE has recorded operational revenue of Mn USD 2.26 with operating profit of Mn USD 1.58.

Annual accounts of the subsidiary company and related detailed information are available to the shareholders of the holding and subsidiary company as well as to the statutory authorities. On request, these documents will be made available for inspection at the Company's Corporate Office.

Deposits

During the financial year 2023-24, the Company has not accepted any deposits under Chapter V of the Companies Act, 2013.

Particulars of Loans, Guarantees or Investments

During the year under review, the Company did not give any loan or make an investment pursuant to the provisions of Section 186 of the Companies Act, 2013. Please refer notes to financial statements for disclosures under Section 186 of the Companies Act, 2013.

Restriction on purchase by Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company or Directors for purchase or subscribe shares of the Company.

Business Risk Management

In order to reduce impact of business risks of the Company, the management has identified key risks affecting the business adversely. The key risks identified are as under:

- Delay in execution due to default of contractors.
- Delay in execution due to unforeseen site conditions including natural calamities.
- Delay in recovery of retention amounts from customers.
- Cost overrun due to delays as well as unforeseen site related factors such as access, approach roads, soil condition etc.

The Company has put in place several mitigation measures such as:

- Vendor evaluation and analysis prior to awarding the contract.
- Site visit prior to making a quotation.
- Frequent review of retention obligations.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Pravin Karve (DIN: 06714708) retires by rotation, and being eligible, offers himself for re-appointment as Director.

The Members of the Company at their 32nd Annual General Meeting held on July 25, 2023 approved the appointment of Mr. Bhavesh Chheda (DIN:08558510). Further, the Board of Directors at their meeting held on February 1, 2024, appointed Mr. B.C. Rajesh (DIN: 10486449) as an Additional Director of your Company. Mr. B.C. Rajesh (DIN: 10486449) holds office as an Additional Director up to the date of the ensuing Annual General Meeting and subject to the approval of Members at the 33rd Annual General Meeting, it is proposed to appoint Mr. Rajesh B.C. as Director of the Company, liable to retire by rotation.

Further, Mr. Shekhar Kashalikar (DIN: 09688441) and Mr. Ravinder Advani (DIN: 01677195), Directors resigned from the Board of your Company effective from September 30, 2023 and April 24, 2024 respectively.

Board Meetings

The Board met five times during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Attendance details of the Board are as follows:

Name	Board Meetings				
	May 11, 2023	July 25, 2023	October 27, 2023	February 1, 2024	March 14, 2024
Mr. B.C. Rajesh *	NA	NA	NA	NA	A
Mr. Pravin Karve	A	P	P	P	P
Mr. Ravinder Advani	P	A	A	P	P
Mr. Bhavesh Chheda	P	P	P	P	P
Mr. Shekhar Kashalikar#	A	P	NA	NA	NA

Mr. Shekhar Kashalikar ceased to be a Director of the Company from the close of business hours of September 30, 2023.

* Mr. B.C. Rajesh appointed as Additional Director with effect from February 1, 2024.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis; and

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 may be amended from time to time.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Corporate Social Responsibility

In compliance with Section 135 of the Companies Act, 2013 and as part of its initiatives under CSR, the Company has contributed Rs. 11.62 lakh to Thermax Foundation. A Report on CSR activities is annexed as "Annexure 1".

Related Party Transactions

All Related Party Transactions (RPTs) that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant RPTs made by the Company with Directors, Key Managerial Personnel, if any, or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in Form AOC-2 are not attracted.

During the year, RPTs were placed before the Board for its review. A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the Financial Statements.

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.

Conservation of Energy

The Company's Head Office is situated at Energy House, Chinchwad, owned by the holding company which undertakes various measures to conserve energy. At sites, the Company uses energy saving bulbs for lighting of stores & site offices and the construction power through grid is sought from the customer, wherever practically possible instead of deploying costly and polluting DG sets for power generation.

Technological Absorption

There was no technology acquisition and absorption during the year under review.

Foreign Exchange Earnings and Outgo

The net foreign exchange earnings during the year is Rs. 225.93lakhs (Rs.0.00 lakhs Dividend received from TEC FZE, Rs. 225.93 lakhs reimbursement of employee salary).

Particulars of Employees

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

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

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to provide a safe and conducive work environment to its employees. There is a duly constituted Internal Committee and there were no cases pending at the beginning of the year/ filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Details of difference between the amounts of valuation at the time of one time settlement and the valuation done at the time of taking a loan from the banks or financial institutions along with the reasons thereof:

During the year under review, there is no instance of onetime settlement with any Bank or Financial Institution.

Auditors

The Board of Directors at its meeting held on May 6, 2024 has recommended appointment of B. K. Khare & Co. as the Statutory Auditors of the Company for term of one year from the conclusion of Thirty Third Annual General Meeting until the conclusion of the Thirty Fourth Annual General Meeting for the approval of the shareholders of the Company.

The auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Cost Records Applicability

The provisions relating to maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 were not applicable on the Company during the financial year.

Acknowledgments

The Board of Directors takes this opportunity to thank its customers, bankers, employees and all other stakeholders for their persistent support to the Company. The Directors look forward to their continued co-operation in the future as well.

For and on behalf of the Board of Directors of

Thermax Engineering Construction Company Limited

	B.C. Rajesh	**Bhavesh Chheda**
Pune	Director	Director
May 6, 2024	DIN: 10486449	DIN: 08558510

Annexure 1

Corporate Social Responsibility Activities of the Company during the Financial Year 2023-24:

1. **Brief Outline on CSR Policy of the Company:**

The Company has decided to adopt the CSR Policy of the holding company which predominantly keeps focus in the area of education of economically under privileged children.

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

The holding company has created a formal structure to design and implement its CSR Programme and the Company has decided to support the initiative of the holding company.

2. Composition of CSR Committee: **NA**

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

The details of Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company on **NA**

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **NA**

5. Details of Net Profit and CSR Obligation for the Financial Year 2023-24:

Rs. Lakhs

(a) Average net profit of the company as per sub-section (5) of section 135.	580.71
(b) Two percent of average net profit of the company as per sub-section (5) of section 135.	11.62
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
(d) Amount required to be set-off for the financial year, if any.	NIL
(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	11.62

6. Details of amount spent on CSR Obligations:

Rs. Lakhs

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	11.62
(b) Amount spent in Administrative Overheads.	NIL
(c) Amount spent on Impact Assessment, if applicable.	NA
(d) Total amount spent for the Financial Year [(a)+(b)+(c)].	11.62

e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year 2023-24 (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
11.62	--	--	--	--	--

(f) Excess amount for set-off, if any: NIL

Rs. Lakhs

Sl. No.	Particulars	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	11.62
(ii)	Total amount spent for the Financial Year	11.62
(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	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceeding Financial year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account Under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
1	FY-1	--	--		--	--	--	--
2	FY-2	--	--		--	--	--	--
3	FY-3	--	--		--	--	--	--

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NO**

If yes, enter the number of Capital assets created/ acquired: **NA**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NA**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered Address
--	--	--	--	--	--	--	--

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: **NA**

For and on behalf of the Board of Directors of
Thermax Engineering Construction Company Limited

B.C. Rajesh
Director
DIN: 10486449

Bhavesh Chheda
Director
DIN: 08558510

Pune
May 6, 2024

INDEPENDENT AUDITORS' REPORT

To the members of Thermax Engineering Construction Company Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Thermax Engineering Construction Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our 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 for the 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 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 financial 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 system 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 the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 controls 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.

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 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) 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.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) Based on the records examined by us and according to information and explanations given to us, the Company has not paid/provided for managerial remuneration. Hence, the provisions of Section 197 of the Act related to managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 20(A) to the Financial Statements;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were 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, 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;

      (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

      (v) The dividend declared and paid during the year by the Company is in compliance with section 123 of the Act.

      (vi) Based on our examination which included test checks, the Company has used an 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 that, audit trail feature is not enabled for direct changes to data when using certain privileged access rights as described in note 30(b) of the financial statements. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with in respect of accounting software.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Membership No. 125657
UDIN: 24125657BKESNC6396
Place: Pune
Date: May 6, 2024

Annexure A to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements 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 financial statements of Thermax Engineering Construction Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to 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 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements 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 issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Membership No. 125657
UDIN: 24125657BKESNC6396
Place: Pune

Date: May 6, 2024

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have intangible assets on the reporting date. Thus, reporting under clause 3(i)(a)(B) of the order is not applicable to the Company.

(b) The Company did not verify property, plant and equipment during the year but a regular program for physical verification of its property, plant and equipment is there which in our opinion is reasonable having regard to the size of the Company and nature of its property, plant and equipment.

(c) According to the information and explanations given to us, the Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee).

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Employees' State Insurance,Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Goods and Services Tax and Profession Tax which have not been deposited as on March 31, 2024 on account of disputes are as under:

Name of the Statute	Nature of the dues (Including Interest and Penalty as applicable)	Amount (In Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Chhattisgarh Value Added Tax, 2005	Demand for Value Added Tax	1.20	FY 2012-13	Assessing Officer
Service Tax (Finance Act, 1994)	Dispute on demand for service tax on deemed material	4.20	FY 2016-17	Custom, Excise and Service Tax Appellate Tribunal
Service Tax (Finance Act, 1994)	Dispute regarding adjustment of excess service tax paid against tax liability in subsequent period.	45.49	FY 10-11	Custom, Excise and Service Tax Appellate Tribunal
Service Tax (Finance Act, 1994)	Dispute regarding Service Tax on Notice Period Recovery	5.73	FY 2012 to 2017	Custom, Excise and Service Tax Appellate Tribunal
Maharashtra Goods and Service Tax Act ,2017	Dispute regarding in-eligible ITC claimed	54.61*	FY 2017-18, FY 2018-19	Asst. Commissioner of State Tax.

*Including interest of Rs.23.29 lakhs and penalty of Rs.3.06 lakhs

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration a whistle blower complaint received by the Company during the year and shared with us for reporting under this clause.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the act. Accordingly, reporting under clause 3(xiv) is not applicable to the company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company and subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one Core Investment Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Membership No. 125657
UDIN: 24125657BKESNC6396
Place: Pune
Date: May 6, 2024

THERMAX ENGINEERING CONSTRUCTION COMPANY LIMITED

BALANCE SHEET as at March 31, 2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
I. Non-current assets			
Property, plant and equipment	3	-	-
Investment in subsidiary	9	0.76	0.76
Income-tax assets (net)		80.67	82.36
Other non-current assets	6 (a)	623.85	755.66
Total non-current assets		**705.28**	**838.78**
II. Current assets			
Inventories		-	-
Financial assets			
(a) Trade receivables	4	114.73	87.13
(b) Cash and cash equivalents	7 (a)	10.79	86.96
(c) Bank balances other than (b) above	7 (b)	693.15	479.69
Other current assets	6 (b)	58.90	25.53
Total current assets		**877.57**	**679.31**
Total assets		**1,582.85**	**1,518.09**
Equity and liabilities			
I. Equity			
Equity share capital	8A	450.00	450.00
Other equity	8B	1,081.19	986.28
Total equity		**1,531.19**	**1,436.28**
II. Current liabilities			
Financial liabilities			
(a) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	10	1.60	1.60
- total outstanding dues of creditors other than micro enterprises	10	35.95	39.26
(b) Other financial liabilities	11	3.44	17.94
Other current liabilities	13	2.72	18.34
Provisions	12	7.95	4.67
Total current liabilities		**51.66**	**81.81**
Total equity and liabilities		**1,582.85**	**1,518.09**
Summary of significant accounting policies, judgements, estimates and assumptions	2		

The accompanying notes are an integral part of the financial statements.

Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note No	Year Ended March 31, 2024	Year Ended March 31, 2023
Income			
Revenue from operations	14	-	20.11
Other income	15	132.54	815.34
Total Income		**132.54**	**835.45**
Expenses			
Employee benefits expense	16	7.52	7.97
Other expenses	17	30.70	(47.55)
Total expenses		**38.22**	**(39.58)**
Profit before tax		**94.32**	**875.03**
Tax expense			
Tax for earlier years	5 (a)	-	(46.61)
Total tax expense		**-**	**(46.61)**
(Loss)/Profit for the year		**94.32**	**921.64**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans		0.59	(8.44)
Less: Income tax effect	5 (a)	-	-
		0.59	(8.44)
Net other comprehensive income for the year, net of tax.		**0.59**	**(8.44)**
Total comprehensive income for the year		**94.91**	**913.20**
Earning per equity share [Nominal value per share Rs. 10/- (March 31, 2023: 10/-)] Basic and Diluted	19	**2.10**	**20.48**
Summary of significant accounting policies, judgements, estimates and assumptions	2		

The accompanying notes are an integral part of the financial statements.

For B. K. Khare and Company
Chartered Accountants
ICAI Firm Reg No. 105102W

For and on behalf of the Board of Directors of Thermax Engineering Construction Company Limited

Amit Mahadik
Partner
Membership No: 125657

Rajesh Bukinkere
Director
DIN: 10486449

Bhavesh Chheda
Director
DIN: 08558510

Date: May, 6 2024
Place: Pune

Date: May, 6 2024
Place: Pune

For B. K. Khare and Company
Chartered Accountants
ICAI Firm Reg No. 105102W

For and on behalf of the Board of Directors of Thermax Engineering Construction Company Limited

Amit Mahadik
Partner
Membership No: 125657

Rajesh Bukinkere
Director
DIN: 10486449

Bhavesh Chheda
Director
DIN: 08558510

Date: May, 6 2024
Place: Pune

Date: May, 6 2024
Place: Pune

Cash flow statement for the year ended March 31, 2024

(All amounts are in Rupees Lakhs , except stated otherwise)

	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
A)	**Cash flows from operating activities**			
	Profit before tax		94.32	875.03
	Adjustments to reconcile profit before tax to net cash flows			
	Provision for impairment allowance of financial assets (net)	17	(89.22)	(413.97)
	Bad debts written off	17	85.46	304.54
	Profit on sale/discard of assets (net)	15	(3.64)	(6.95)
	Interest income	15	(88.71)	(19.47)
	Dividend from subsidiary	15	-	(681.82)
	Liabilities no longer required written back	15	(13.25)	(92.19)
	Working capital adjustments			
	(Increase)/ Decrease in Trade receivables		(23.84)	382.95
	(Increase)/ Decrease in Loans and Other financial assets		-	15.74
	(Increase)/ Decrease in Other assets		98.44	30.53
	Increase /(Decrease) in Trade payables		9.94	(63.17)
	Increase / (Decrease) in Provisions		3.87	(79.34)
	Increase /(Decrease) in Other financial liabilities		(14.50)	(9.83)
	Increase /(Decrease) in Other liabilities		(15.62)	(59.52)
	Cash generated from / (used in) operations		**43.25**	**182.53**
	Direct taxes paid (net of refunds received)		1.69	(45.77)
	Net cash inflow from operating activities		**44.94**	**136.76**
B)	**Cash flows from investing activities**			
	Sale of property, plant and equipment		3.64	6.95
	Investment in Fixed Deposit		(213.46)	(329.92)
	Dividend from subsidiary		-	681.82
	Interest received		88.71	19.47
	Net cash flows from investing activities		**(121.11)**	**378.32**
C)	**Cash flows from financing activities**			
	Interim dividends paid		-	(708.75)
	Net cash flows (used in) financing activities		**-**	**(708.75)**
	Net increase / (decrease) in cash and cash equivalents		**(76.17)**	**(193.67)**
	Cash and cash equivalents at the beginning of the year	7 (a)	86.96	280.63
	Cash and cash equivalents at the end of the year		**10.79**	**86.96**

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

Particulars	Note No.	March 31, 2024	March 31, 2023
Cash and cash equivalents	7 (a)	10.79	86.96
Balances as per Cash flow statement		**10.79**	**86.96**

For B. K. Khare and Company
Chartered Accountants
ICAI Firm Reg No. 105102W

For and on behalf of the Board of Directors of Thermax Engineering Construction Company Limited

Amit Mahadik
Partner
Membership No: 125657

Rajesh Bukinkere
Director
DIN: 10486449

Bhavesh Chheda
Director
DIN: 08558510

Date: May, 6 2024
Place: Pune

Date: May, 6 2024
Place: Pune

Statement of Changes in equity for the year ended March 31, 2024

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

A Equity Share Capital#

Particulars	Note No.	March 31, 2024	March 31, 2023
Balance at the beginning of the year	10A	450.00	450.00
Changes in equity shares capital during the year	10A	-	-
Balance at the end of the year	**10A**	**450.00**	**450.00**

B Other Equity#

Particulars	Reserves & Surplus		
	General reserve	Retained Earnings	Total
As at April 1, 2022	**525.21**	**256.62**	**781.83**
Profit for the year	-	921.63	921.63
Other Comprehensive Income	-	(8.44)	(8.44)
Total comprehensive income	-	913.19	913.19
Dividends paid (Inclusive of dividend distribution tax)	-	(708.75)	(708.75)
As at March 31, 2023	**525.21**	**461.06**	**986.27**
Profit for the year	-	94.32	94.32
Other Comprehensive Income	-	0.59	0.59
Total comprehensive income	-	94.91	94.91
Interim dividends paid	-	-	-
As at March 31, 2024	**525.21**	**555.97**	**1,081.18**

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

For B. K. Khare and Company
Chartered Accountants
ICAI Firm Reg No. 105102W

For and on behalf of the Board of Directors of Thermax Engineering Construction Company Limited

Amit Mahadik
Partner
Membership No: 125657

Rajesh Bukinkere
Director
DIN: 10486449

Bhavesh Chheda
Director
DIN: 08558510

Date: May, 6 2024
Place: Pune

Date: May, 6 2024
Place: Pune

1. Corporate information

Thermax Engineering Construction Company Limited (the "Company") is a public company domiciled in India. It is a wholly owned subsidiary of Thermax Limited. The Company is engaged in erection and commissioning of boilers supplied by its parent company Thermax Limited and also by other suppliers. The Corporate Identification Number (CIN) of the Company is U29246MH1991PLC062959.

The address of the registered office is Thermax House, 14, Mumbai – Pune Highway, Wakdewadi, Pune, 411001. The Board of Directors have authorized to issue by these separate financial statements on May 06, 2024.

2. Significant accounting policies

2.1. Basis of preparation and measurement

(a) Basis of preparation

These 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).

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

(b) Basis of measurement

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

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

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs except when otherwise indicated.

2.2. Changes in accounting policies and disclosures

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on March 31, 2024, MCA has not amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 and hence reporting under this section is not applicable..

2.3 Summary of significant accounting policies

a. Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b. Foreign currencies

The Company's financial statements are prepared in INR, which is the also 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 recognized in the Statement of profit and loss.

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.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes

- Disclosures for significant judgements, estimates and assumptions (note 2)
- Quantitative disclosures of fair value measurement hierarchy (note 23)
- Financial instruments (including those carried at amortized cost) (note 23)

For assets and liabilities that are recognised in the 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.

d. Property, Plant and Equipment

Property, plant and equipment (PPE) is 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 capitalized. 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 derecognized. All other repairs and maintenance 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 have 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	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment *	1 to 10	9 to 15
Office equipment	1 to 3	5
Computers	2 to 3	3
Vehicles	3 to 6	8

* Includes site infrastructure which is fully depreciated.

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.

e. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

f. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized 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 recognized 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 disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.4.

The Company has following streams of revenue:

i. Revenue from Engineering, Procurement and Construction contracts

Engineering, Procurement and Construction contracts are contracts (or a group 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 recognized over a period of time if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

(c) 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 recognizes revenue over time as it performs because of continuous transfer of control to the customer. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customer typically controls 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 fees or 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 recognized 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 recognized 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 recognizes the expected losses from onerous contract as an expense immediately. Penalties for any delay or improper execution of a contract are recognized as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

On the balance sheet date, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognized profits (less recognized losses) exceed progress billings; a contract represents a liability where the opposite is the case.

ii. Revenue from Sale of goods

If the criteria for revenue under over-a-period of time as mentioned above are met, the Company recognized revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally 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 months on its products sold, in line with the industry practice. A liability is recognized at the time the product is sold. The Company does not provide any extended warranties.

iii. 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 recognized as the related services are performed on a time proportion basis under the contracts.

Contract balances

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 that is conditional. Contract assets are recorded in balance sheet as unbilled revenue.

Trade receivables: 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). Also refer accounting policies on financial instruments in note g below.

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

Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend Income

Revenue is recognized when the Company's right to receive the payment is established by the reporting date.

g. 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

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. For all subsequent measurements financial assets are classified in following categories:

Debt instruments

Debt instruments at amortised cost: The debt instrument is at amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees for cost that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. This category generally applies to loans and trade and other receivables.

Debt instruments fair value through OCI (FVOCI): A debt instrument is classified as FVOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not classified any financial assets under this category.

Debt instruments at fair value through profit and loss (FVTPL): Debt instruments not classified as amortised cost or FVOCI are classified as FVTPL. The Company has classified any debt under this category.

De- recognition

A financial asset (or wherever applicable, a part of the financial asset or part of a group of similar financial assets) is primarily derecognized when the rights to receive cash flow from the assets 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 flow in full to a third party under a pass through arrangement and either

a) The Company has transferred substantially all risks and rewards of the asset or

b) Has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balances

(b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as ‘contractual revenue receivables which includes current contract receivables and retention money receivables in these financial statements)

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss 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 recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that is possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of the collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the P&L. The balance sheet presentation for various financial instruments is described below:

- **Financial assets measured at amortized cost - contract assets:** 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.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

Impairment of financial assets

Credit Risk exposure: -

The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates.

Expected Credit Loss: -

While calculating expected credit loss, the company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect.

Financial liabilities

All financial liabilities are initially recognised at fair value. The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdraft and derivative financial instruments.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 the de recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognized in the Statement of profit or loss.

h. Cash and cash equivalents

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 Company’s cash management.

i. Share capital

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

j. Income tax

Current income-tax

Current income 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Current tax items are recognized 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 liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 and the same taxation authority.

Indirect taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of indirect taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

k. Borrowing costs

Borrowing costs include interest and amortization of ancillary costs in connection with the arrangement of borrowings. Borrowing costs attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

l. Leases

Company as a lessee

The Company lease asset classes primarily consist of leases for land, buildings and office equipment's. The Company assesses whether a contract contains a lease, at in caption 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 recognizes a right-of-use asset ("ROU") 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 recognizes 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 recognized 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 value of the future lease payments.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

m. Impairment of non-financial assets

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.

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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent period, 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.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized 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 recognized 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 recognized. 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 recognized for the asset in priors. Such reversal is recognized 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.

n. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

Provision for onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

o. 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 recognizes 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 recognized 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 recognized 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 recognized 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 recognized in the Statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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 utilized 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. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred. 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.

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

Liability on account of the Company's obligation under the employee's leave travel assistance is charged to the Statement of profit and loss at the undiscounted amount of such liability.

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

p. Segment Reporting

Identification of segments

The entire operation is governed by the same set of risk and returns and hence considered as representing a single primary segment and not analysed separately. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

q. Contingent liability

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.

r. Earnings Per Share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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 diluted potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (that is the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the authorization for issue of the financial statements by the Board of Directors.

s. Dividends

Dividend to equity shareholders is recognized 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 recognized as a liability and deducted from shareholders' equity in the year in which the dividends are declared by the Board of directors.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i) Revenue from contracts with customers

A significant portion of the Company's business relates to construction of assets which are accounted using cost-based input method, recognizing 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.

ii) Contingencies relating to tax and legal matters

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.

iii) Segment reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in 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 Chief Executive Officer to assess performance and allocate resources. The Company is operating in a single business segment, viz Energy

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The

Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Constructions contracts:

- **Provisions for liquidated damages claims (LDs):** The Company provides for LD claims to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognized 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 recognize.

- **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, unbilled revenue and estimated earnings and accrued contract expenses.

- **Recognition of contract variations:** The Company recognizes 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

ii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset of 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 flow 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 are 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.

iii. Defined benefit plans - 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 most subject 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. Further details about gratuity obligations are given in Note 21.

iv. Termination benefits:

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates:

(a) when the Company can no longer withdraw the offer of these benefits; and

(b) when the entity recognizes cost for a restructuring that is within the scope of Ind AS 37 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.

v. 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 judgment 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 23 for further disclosures.

vi. Impairment of financial assets

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 categorizes the receivables due from Public Sector Undertakings (PSUs) and Non-PSUs and follows a wider aged bucket provisioning norm as the performance guarantee tests require certain time period after the supplies are completed. Refer note 4(a) for details of impairment allowance recognized at the reporting date.

vii. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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. Refer Note 5(b)for details of deferred taxes.

Notes to the financial statements for the year ended March 31, 2024
(All amounts in Rupees lakh, unless otherwise stated)

3.3 Standards issued but not 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.

3 Property, Plant and Equipment

Particulars	Plant and equipment	Office equipment	Computer	Vehicles	Total
Gross carrying amount					
As at April 01, 2022	**183.55**	**7.50**	**24.29**	**45.38**	**260.72**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2023	**183.55**	**7.50**	**24.29**	**45.38**	**260.72**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2024	**183.55**	**7.50**	**24.29**	**45.38**	**260.72**
Accumulated depreciation					
As at April 01, 2022	**183.55**	**7.50**	**24.29**	**45.38**	**260.72**
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2023	**183.55**	**7.50**	**24.29**	**45.38**	**260.72**
Charge for the year	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2024	**183.55**	**7.50**	**24.29**	**45.38**	**260.72**
Net book value					
As at March 31, 2023	**-**	**-**	**-**	**-**	**-**
As at March 31, 2024	**-**	**-**	**-**	**-**	**-**

4 Trade receivables

	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Receivables from related parties (refer note 22)	97.99	27.19
Others	64.30	196.72
Total receivables	**162.29**	**223.91**
Break-up of security details		
Unsecured, considered good	162.29	223.91
Less: Impairment allowance*	(47.56)	(136.78)
Total	**114.73**	**87.13**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. None of the trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

*Includes provision amounting to Rs.Nil (March 31, 2023 : Rs.Nil) for Trade receivables which have a significant increase in credit risk.

For terms and conditions relating to related party receivables, refer note 26.

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

	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	
Trade receivables as at March 31, 2024							
(i) Undisputed - considered good	-	95.98	1.56	0.28	41.23	23.24	**162.29**
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
(iv) Disputed - considered good	-	-	-	-	-	-	**-**
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Less: Impairement Allowance	-	-	-	-	-	-	**47.56**
Total	**-**	**95.98**	**1.56**	**0.28**	**41.23**	**23.24**	**114.73**

	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	
Trade receivables as at March 31, 2023							
(i) Undisputed - considered good	22.37	5.61	35.23	5.96	-	154.75	**223.91**
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
(iv) Disputed - considered good	-	-	-	-	-	-	**-**
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Less: Impairement Allowance	-	-	-	-	-	-	**136.78**
Total	**22.37**	**5.61**	**35.23**	**5.96**	**-**	**154.75**	**87.13**

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

4(a) The following table summarises the change in provision for impairment allowance measured using the life time expected credit loss model:

	Provision for trade receivables	
	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	136.78	550.75
Provision made during the year	-	-
Utilized/reversed during the year	89.22	413.97
At the end of the year	**47.56**	**136.78**

Notes to the financial statements for the year ended March 31, 2024
(All amounts in Rupees lakh, unless otherwise stated)

5 (a) Income Taxes

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

Statement of profit and loss

	As at March 31, 2024	As at March 31, 2023
Current income tax charge		
Current income tax	-	-
Adjustments in respect of current income tax of previous year	-	(46.61)
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the Statement of profit and loss	**-**	**(46.61)**

Other comprehensive income

	As at March 31, 2024	As at March 31, 2023
Deferred tax related to items recognised in OCI during the year	-	-
Net gain or loss on remeasurements of defined benefit plans	-	-
Income tax charged/(credited) to OCI	**-**	**-**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023

	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax	94.32	875.03
At India's statutory income tax rate of 25.17% (March 31, 2023 : 25.17%)	23.74	220.23
Effects of non-deductible business expenses	(22.45)	(109.55)
Permanent disallowance	-	62.80
Dividend Income	-	(171.59)
Donation	2.92	2.68
Tax for earlier years	-	(46.61)
Other differences - Difference between book base and tax base for various items	(4.21)	(4.56)
At the effective tax rate of Nil % (March 31, 2023: -5.33%)	(0.00)	(46.61)
Income tax expense reported in the statement of profit or loss	**-**	**(46.61)**

5 (b) Deferred tax

Statement of profit & loss/ other comprehensive income

	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following :		
Derecognition of deferred tax assets in absence of future taxable profits	-	-
Deferred tax expense/ (income)	**-**	**-**

Details of deferred tax assets which has not been recognised in book of accounts :

	As at March 31, 2024	As at March 31, 2023
Deferred tax asset on		
Statutory dues deductible on payment under section 43B of Income-tax Act, 1961	5.76	6.03
Provision for doubtful debts, liquidated damages and other provisions	11.97	34.43
Difference in written down values of PPE	29.21	33.19
Total	**46.94**	**73.65**

As per Ind As 12, the entity recognises deferred tax assets only when it is probabale that the taxable profits will be available against which the deducible temporary difference can be utilised. However in the current scenario, as the company does not expect to have sufficient future taxable profits, deferred tax asset has not been recognised in book of accounts.

6 Other assets

(a) Other non current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Balances with government authorities	623.85	755.66
Total	**623.85**	**755.66**

(b) Other current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Advances to suppliers	-	2.17
Advances to staff and workers	46.11	14.83
Prepaid employee benefits (note 21)	12.79	8.53
Total	**58.90**	**25.53**

There were no advances due by directors or other 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 any director is a partner or a member.

7 (a) Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Cash and cash equivalents		
Balances with banks		
- on current accounts	10.79	86.96
Total	**10.79**	**86.96**

Notes to the financial statements for the year ended March 31, 2024

(All amounts in Rupees lakh, unless otherwise stated)

7 (b) Other bank balances

	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity :		
more than three months but less than twelve months*	682.36	474.24
Interest aacrues on fixed deposit	10.79	5.45
Total	**693.15**	**479.69**

*Fixed deposit amount of Rs. 307.45 has been marked as lien in ICICI Bank.

8A Share capital

	As at March 31, 2024	As at March 31, 2023
Authorized shares (Nos)		
10,000,000 (March 31, 2023: 10,000,000) equity shares of Rs. 10/- each	1,000.00	1,000.00
	1,000.00	**1,000.00**
Issued, subscribed and fully paid share capital (Nos)		
4,500,000 (March 31, 2023: 4,500,000) equity shares of Rs. 10/- each	450.00	450.00
Total issued, subscribed and fully paid-up share capital	**450.00**	**450.00**

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

	No. of Shares
Equity share of Rs. 10 each issued, subscribed and fully paid	
As at April 1, 2022	4,500,000
Changes during the period	-
As at March 31, 2023	4,500,000
Changes during the period	-
As at March 31, 2024	**4,500,000**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 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
Thermax Limited		
4,500,000 (March 31, 2023: 4,500,000) equity shares of Rs. 10/- each fully paid	450.00	450.00

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

	Thermax limited
As at March 31, 2024	
%	100.00
No. of shares	4,500,000
As at March 31, 2023	
%	100.00
No. of shares	4,500,000

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 shares held by promoters

	As at March 31, 2024	As at March 31, 2023
Thermax Limited		
%	100.00	100.00
No. of Shares	4,500,000	4,500,000
% of change during the year	-	-

8B Other equity

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
General reserve	525.21	525.21
Retained earnings		
Opening balance	461.07	256.62
Add: (Loss)/Profit for the year	94.32	921.64
Less: Interim dividends paid	-	(708.75)
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement gains/ (losses) on defined benefit plans, net of tax	0.59	(8.44)
Net surplus in the statement of profit and loss	**555.98**	**461.07**
Total	**1,081.19**	**986.28**

Nature and purpose of reserves

General reserve

These are in nature of those retained earnings which are kept aside out of Company's profits. These are free reserves available for distribution of dividend.

9 Investment in Subsidiary

	Face value	As at March 31, 2024	As at March 31, 2023
Investments in equity instruments at cost (Fully paid)			
Thermax Engineering Construction Company, FZE			
Number of Shares: 1000 shares	USD 1	0.76	0.76
Total value of Investment		**0.76**	**0.76**

The Company has formed a subsidiary in Nigeria for the management and supervision of the installation, commissioning and testing of boilers and heaters, in respect of the petroleum refinery and polypropylene plant for Dangote group, being constructed in Lekki Free Trade Zone, Nigeria (LFTZ).

10 Trade payables

	As at March 31, 2024	As at March 31, 2023
At amortized cost		
Total outstanding dues of micro enterprises and small enterprises	1.60	1.60
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Others	35.95	39.26
Total	**37.55**	**40.86**

Notes to the financial statements for the year ended March 31, 2024
(All amounts in Rupees lakh, unless otherwise stated)

Trade payables are non-interest bearing and are normally settled between 3 to 12 Months.

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
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	1.60	1.60
-Interest due thereon	-	-
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	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-
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	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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	-	-

The ageing of current trade payables which are due for payment :

Particulars	Not Due	Unbilled	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	
Trade payables as at March 31, 2024							
(i) MSME	-	-	-	-	-	1.60	1.60
(ii) Others	9.03	-	0.32	-	-	26.60	35.95
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-	-	-
Total	**9.03**	**-**	**0.32**	**-**	**-**	**28.20**	**37.55**

Particulars	Not Due	Unbilled	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	
Trade payables as at March 31, 2023							
(i) MSME	-	-	-	-	1.60	-	1.60
(ii) Others	1.69	7.25	4.42	-	-	25.90	39.26
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-	-	-
Total	**1.69**	**7.25**	**4.42**	**-**	**1.60**	**25.90**	**40.86**

11 Other current financial liabilities

	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Employee related payables	3.44	17.94
Total	**3.44**	**17.94**

12 Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for leave encashment	**7.95**	**4.67**
Total	**7.95**	**4.67**

13 Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Customer advance (refer note 14)	-	0.73
Statutory dues and other liabilities*	2.72	17.61
Total	**2.72**	**18.34**

* mainly includes tax deducted at source, provident fund, ESIC, etc.

14 Revenue from operations

(a) Revenue from contracts with customers:

	March 31, 2024	March 31, 2023
Revenue from services	-	20.11
Total revenue from contracts with customers	**-**	**20.11**

(b) Other operating income

	March 31, 2024	March 31, 2023
Sale of Scrap	-	-
	-	**-**
Total	**-**	**20.11**

(c) Disclosure pursuant to Ind AS 115 : Revenue from Contract with Customers

i) Revenue by category of contracts

	March 31, 2024	March 31, 2023
Over a period of time basis	-	20.11
At a point-in-time basis	-	-
Total revenue from contracts with customer	-	20.11

Revenue by geographical market

	March 31, 2024	March 31, 2023
Within India	-	20.11
Outside India	-	-
Total revenue from contracts with customer	-	20.11

ii) Contract balances

The following table provides information about contract balances from contracts with customers as at the reporting date:

	Year Ended March 31, 2024	Year Ended March 31, 2023
Trade receivables (refer note 4)	114.73	87.13
Unbilled revenue (Contract asset)	-	-
Unearned revenue (Contract liability)	-	-
Customer advances (Contract liability) (refer note 14)	-	0.73

Notes to the financial statements for the year ended March 31, 2024

(All amounts in Rupees lakh, unless otherwise stated)

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 when the rights become unconditional.

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.

15 Other income

	March 31, 2024	March 31, 2023
Dividend income from equity investments designated at fair value through profit and loss	-	681.82
Liabilities no longer required written back	13.25	92.19
Exchange fluctuation gain (net)	0.06	5.18
Interest income	88.71	19.47
Miscellaneous income	30.52	16.68
Total	**132.54**	**815.34**

16 Employee benefits expense

	March 31, 2024	March 31, 2023
Salaries, wages and bonus	9.87	9.91
Contribution to provident and other funds	4.49	2.61
Gratuity expense (refer note 21)	(8.23)	(6.38)
Staff welfare expenses	1.39	1.83
Total	**7.52**	**7.97**

17 Other expenses

	March 31, 2024	March 31, 2023
Rent (refer note 20B)	1.04	1.79
Site expenses and contract labour charges	2.37	1.80
Erection & commissioning expenses	1.58	23.75
Rates and taxes	5.74	1.64
Insurance	(0.01)	1.01
Travelling and conveyance	0.63	0.21
Legal and professional fees	4.44	4.50
Audit fees (refer note 18(b))	2.25	4.30
Bad debts/ advances written off	85.46	304.54
Provision for impairment allowance of financial assets (net)	(89.22)	(413.97)
CSR expenditure (refer note 18(a))	11.62	10.63
Bank guarantee charges (including bank charges)	2.69	5.23
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	2.11	7.02
Total	**30.70**	**(47.55)**

18 (a) Corporate social responsibility (CSR)

Particulars	March 31, 2024	March 31, 2023
Gross amount required to be spent by the Company during the year	11.62	10.63
Total	**11.62**	**10.63**

Amount spent during the year

Particulars	In Cash	Yet to be spent in cash	Total
During the year ended March 31, 2024			
a. Construction/ acquisition of any asset	-	-	-
b. On purposes other than (a) above *	11.62	-	11.62
	11.62	**-**	**11.62**
During the year ended March 31, 2023			
a. Construction/ acquisition of any asset	-	-	-
b. On purposes other than (a) above *	10.63	-	10.63
	10.63	**-**	**10.63**

*The amount of Rs. 11.62 (March 31, 2023 :Rs. 10.63) is contributed to Thermax Foundation, India (also refer note no 22 Related party transactions), which is engaged in education of economically underprivileged children by addressing social discrimination through affirmative actions, skill development and employability initiatives.

There is no shortfall in contribution as at March 31, 2024.

18 (b) Payment to auditors

	March 31, 2024	March 31, 2023
As auditor		
Audit	2.00	2.00
In other capacity		
Other services	0.25	2.30
Total	**2.25**	**4.30**

19 Earnings per share

	March 31, 2024	March 31, 2023
Net profit attributable to the equity shareholders of the Company	94.32	921.64
Weighted average number of equity shares of Rs.10/- each	45.00	45.00
Basic & Diluted Earnings per share (In Rupees)	2.10	20.48

20 Contingent Liabilities and commitments

A Contingent liabilities

i) Disputed demands in respect of Excise, Customs Duty and Service tax Rs. 50.12 (March 31, 2023 Rs 742.82)

ii) Disputed demands in respect of Sales tax(VAT Chhatisgarh) Rs. 1.20 (March 31, 2023 Rs 1.20)

iii) Disputed demands in respect of GST Rs. 51.55 including interest of Rs. 23.29 (March 31, 2023 Rs Nil)

iv) The Company has issued various guarantees for performance, deposits, tender money, advances,etc to customers. The management has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here.

B Capital and other commitment

i. Operating lease : Company as lessee

The Company has taken certain office premises on cancellable operating lease. The tenure of such leases is for a period of one year or less. Lease rentals are charged to the Statement of Profit and Loss for the year. There are no sub-leases. The leases are renewable on mutually agreeable terms. At the expiry of the lease term, the Company has an option to terminate the agreement or extend the term by giving notice in writing. Since the contracts are short term leases, the entity has elected to apply the exemption available to

Notes to the financial statements for the year ended March 31, 2024
(All amounts in Rupees lakh, unless otherwise stated)

short term leases under Ind AS 116 and has recognised the lease payments associated with these leases as an expense.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

	March 31, 2024	March 31, 2023
Lease payments for the year	1.04	1.79

21 A. Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed specified years of service gets a gratuity on departure @ 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.

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.

I Changes in the net benefit obligation and fair value of plan assets are as follows :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2022	**18.55**	**29.13**	**(10.58)**
Current service cost	1.45		1.45
Interest expense/(income)	1.26	9.09	(7.83)
Total amount recognised in Statement of Profit and Loss	**2.71**	**9.09**	**(6.38)**
Actuarial loss from change in financial assumptions	(4.35)	0.05	(4.41)
Amount not recognised due to asset ceiling	-	(12.84)	12.84
Total amount recognised in Other comprehensive income	**(4.35)**	**(12.79)**	**8.44**
Liability for employees transferred			
March 31, 2023	**16.91**	**25.43**	**(8.53)**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2023	**16.91**	**25.43**	**(8.53)**
Current service cost	1.68		1.68
Interest expense/(income)	1.37	10.02	(8.65)
Total amount recognised in Statement of Profit and Loss	**3.05**	**10.02**	**(6.97)**
Actuarial loss from change in financial assumptions	1.86	2.45	(0.59)
Amount not recognised due to asset ceiling			-
Total amount recognised in Other comprehensive income	**1.86**	**2.45**	**(0.59)**
Employer contributions	-	-	-
Benefits paid	(2.26)	-	(2.26)
Transfer In/(Out)	5.56		5.56
March 31, 2024	**25.12**	**37.91**	**(12.79)**

II The net liability disclosed above relates to funded plans are as follows :

	March 31, 2024	March 31, 2023
Present value of funded obligation	25.12	16.91
Fair value of plan assets	37.91	25.43
Plan (assets)	**(12.79)**	**(8.53)**

III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Discount rate	7.20%	7.40%
Salary growth rate	7.00%	7.00%
Expected return on plan assets	7.40%	7.20%
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	12%	12%

IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	March 31, 2024	March 31, 2023
Discount rate		
1.00% increase	Decrease by 1.1	Decrease by 0.61
1.00% decrease	Increase by 1.01	Increase by 0.64
Future salary increase		
1.00% increase	Increase by 0.85	Increase by 0.48
1.00% decrease	Decrease by 0.79	Decrease by 0.47
Attrition Rate		
1.00% increase	Increase by 0.00	Increase by 0.00
1.00% decrease	Decrease by 0.01	Decrease by 0.01

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 prior period.

The following are the expected cash flows to the defined benefit plan in future years:

	March 31, 2024	March 31, 2023
Within next 12 months	2.90	1.96
Between 2-5 years	23.52	19.50
Between 5-10 years	9.78	4.77

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.45 years (March 31, 2023 : 5.8 Years)

V The major categories of plan assets are as follows:

	March 31, 2024	March 31, 2023
Investments with Insurer (LIC of India)	100.00%	100.00%

(All amounts in Rupees lakh, unless otherwise stated)

22. Related party disclosures

Names of related parties and related party relationship:

Related parties where control exists

Holding company	Thermax Limited, India
Ultimate holding company	RDA Holdings Private Limited, India
Subsidiary company	Thermax Engineering Construction FZE, Nigeria (TEC FZE)

Related parties with whom transactions have taken place during the year

A. Fellow Subsidiaries in India

Thermax Babcock & Wilcox Energy Solutions Limited

B. Enterprise, over which control is exercised by directors of the Holding Company.

Thermax Foundation

C. Key management Personnel:

Mr. Pravin Karve - Director

Mr. Ravinder Advani - Director

Mr. Bhavesh Chheda - Director (Appointed on 3rd Nov, 2022)

Mr. Shekhar Kashalikar - Director (Resigned on 30th Sep, 2023)

Mr. Rajesh Bukinkere- Director (Appointed on February 01, 2024)

D Individuals having significant influence over the Company by reason of voting power and their relatives :

Mrs. Meher Pudumjee - Chairperson of Holding Company

Mrs. Anu Aga - Relative of Chairperson of Holding Company

Mr. Pheroz Pudumjee - Director of Holding Company

Mr. Zahaan Pudumjee - Relative of Chairperson of Holding Company

E Transactions with related parties:

	Holding Company		Entities Controlled by Holding company		Subsidiary Company		Independent Director		Total	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Transactions during the year										
Sales of products and services	-	-	-	-	-	-	-	-	**-**	**-**
Sale of fixed assets	-	-	-	-	-	-	-	-	**-**	**-**
Recovery of expenses	-	-	35.98	25.34	275.90	273.71	-	-	**311.88**	**299.05**
Reimbursement of expenses	-	-	12.31	-	-	-	-	-	**12.31**	**-**
Reimbursement of remuneration for key management personnel	-	-	-	-	-	-	-	-	**-**	**-**
Corporate social responsibility	-	-	11.62	10.63	-	-	-	-	**11.62**	**10.63**
Commission paid	0.55	1.04	-	-	-	-	-	-	**0.55**	**1.04**
Corporate cost allocation	-	-	-	-	-	-	-	-	**-**	**-**
Dividend Received	-	-	-	-	-	681.82	-	-	**-**	**681.82**
Dividend paid	-	708.75	-	-	-	-	-	-	**-**	**708.75**

F Balances with related parties:

	Holding Company		Entities Controlled by Holding company		Subsidiary Company		Total	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
b. Balances as at the year end								
Trade receivables	-	-	28.55	7.72	69.44	19.47	**97.99**	**27.19**
Trade payables and other liabilities	-	-	-	-	-	-	**-**	**-**

G Commitments

Thermax Limited has issued corporate guarantee to Banks on behalf of the Company of Rs. Nil as on March 31, 2024 (March 31, 2023 : Rs. 700.00).

On the basis of credit comfort of the Company, ICICI bank has issued bank guarantees of USD 324,902.12 (March 31, 2023 USD 324,092.12) in favour of customers of TEC FZE.

H Terms and conditions for outstanding balances

All outstanding balances are unsecured and repayable in cash.

I Terms and conditions of related party transactions

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables (except as disclosed above). 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.

Notes to the financial statements for the year ended March 31, 2024
(All amounts in Rupees lakh, unless otherwise stated)

23 Fair value measurements

a) Category of financial instruments and valuation techniques

Break-up of financial assets carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Trade receivables (refer note 4)	114.73	87.13
Cash and cash equivalents (refer note 7(a))	10.79	86.96
Bank balances other than cash and cash equivalents (refer note 7(b))	693.15	479.69
Total	**818.67**	**653.78**
Current assets	818.67	653.78
Non-current assets (refer note 6(a))	-	-
Total	**818.67**	**653.78**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break up of financial liabilities carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Trade payable (refer note 10)	37.55	40.86
Employee related payables (refer note 11)	3.44	17.94
Total	**40.99**	**58.80**
Current liabilities	40.99	58.80
Total	**40.99**	**58.80**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

28 Financial risk management

The Company's principal financial liabilities, comprise trade and other payables. 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 it derives directly from its operations.

The Company is exposed to credit risk and liquidity risk. The company follows guidance given by the Corporate Risk Management Policy of the group. The risks are summarized below:

I 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 from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters.

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 historical data of losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 4. 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 and financial institutions is managed by the group treasury department in accordance with the Thermax group policy. Investments of surplus funds are made only with approved counterparties 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.

II 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, company maintains flexibility in funding by maintaining availability under committed credit lines.

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.

(i) Maturities of financial liabilities

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			
Trade Payables	37.55	-	-
Other financial liabilities			
Employee related payables	3.44	-	-
March 31, 2023	**< 1 year**	**1 to 3 years**	**> 3 years**
Non- derivative			
Trade Payables	40.86	-	-
Other financial liabilities			
Employee related payables	17.94	-	-

(All amounts in Rupees lakh, unless otherwise stated)

25 Key Financial Ratios

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Change	Reason for Variance
Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	6.36%	69.09%	90.80%	Decrease in income resulted in decrease in ratio
Debtors turnover ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	0.00	0.06	-100.00%	Improvement in collection and write off of balances resulted in improved ratio
Net working capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.00	0.03	-100.00%	Decrease in revenue from operation and other income resulted in decrease in ratio
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.00%	4582.99%	100.00%	No Revenue from operations resulted in decrease in ratio
Return on capital employed	Earnings before interest and taxes	Capital Employed = Net Worth	6.16%	60.92%	-89.89%	Decrease in revenue from operation and other income resulted in decrease in ratio
Return on investment	Interest (Finance Income)	Average Investment	5.65%	5.07%	11.47%	Increase in Investements and better rate of interest resulted in higher return
Current Ratio	Current Assets	Current Liabilities	16.99	8.30	104.58%	Reduction in AP balances resulted in increase in ratio
Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.91	0.54	70.14%	Reduction in AP balances resulted in increase in ratio
Debt-Equity Ratio	Total Debt	Shareholder's Equity	N.A.	N.A.	0.00%	
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest + short term borrowings	N.A.	N.A.	0.00%	
Inventory turnover ratio	Cost of goods sold	Average Inventory	N.A.	N.A.	0.00%	

26 Struck off companies

There is no transactions and balances with struk off companies for year ended March 31, 2024 & March 31, 2023.

27 Capital Management

The Company's objective for capital management is to maximise 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 Parent Company.

	As at March 31, 2024	As at March 31, 2023
Trade payables	37.55	40.86
Less: Cash and cash equivalents	(10.79)	(86.96)
Equity	**1,531.19**	**1,436.28**
Capital and net debt	**1,531.19**	**1,436.28**

28 During the year, the Company has stopped accepting new orders as the management is in discussion with the holding company to evaluate future business opportunities and prospects.As at the reporting date, the Company has sufficient cash balances to meet its obligation and honour the commitments. Management is confident of recovering asset balances (including balances with government authorities) with the alternative plans available and hence, financial statements have been prepared on a going concern basis.

29 As the consolidated financial statements are presented by the entity's holding Company, the entity has elected to apply the exemption available to it under Ind AS 110 and has opted to present only one set of standalone financial statements.

30 (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 status of compliance is summarised in the below table::

Requirements u/s 143(3) of Companies Act, 2013	Response
Books of Account maintained on cloud / servers physically located in India	Yes
Backup maintained in India on daily basis	
Intimation sent to the ROC for the current year	NA

30 (b) The Company 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 that audit trail feature is not enabled for direct changes to data for users with certain privileged access rights to the Infor Baan application. Further no instance of audit trail feature being tampered with was noted in respect of other software.

For B. K. Khare and Company
Chartered Accountants
ICAI Firm Reg No. 105102W

Amit Mahadik
Partner
Membership No: 125657

Date: May, 6 2024
Place: Pune

For and on behalf of the Board of Directors of
Thermax Engineering Construction Company Limited

Rajesh Bukinkere
Director
DIN: 10486449

Bhavesh Chheda
Director
DIN: 08558510

Date: May, 6 2024
Place: Pune

Thermax Instrumentation Limited

Board of Directors
Rajendran Arunachalam
Kiritiraj Jilkar
Ravinder Advani (upto April 24, 2024)
Sandeep Deshpande (w.e.f. April 18, 2024)

Registered Office
Thermax House,
14, Mumbai – Pune Road, Wakdewadi,
Pune – 411003

Auditors
SRBC & Co. LLP
Chartered Accountants
C-401, Panchshil Tech Park, Yerwada,
Pune-411006, India

Key Managerial Personnel
Ramachandra Bharathi (Manager)
Sudhir Lale (Company Secretary)

Bankers
HDFC Bank Limited
ICICI Bank
CitiBank NA
HSBC Bank

Corporate Office
Sai Chambers
15, Mumbai – Pune Road, Wakdewadi,
Pune - 411003

Branch offices
1. Unit 3, Ninth (9th) Floor Galleria Corparate Center
EDSA - II Carner Ortigas Avenue
Quezon City, Manila Philippines
2. C/o PKF Consulting Zambia Limited,
Plot 11, Sable Road, Kabulonga, Lusaka, Zambia.
3. SAIF Executive Office P08-04-31,
P.O. Box- 121291, Sharjah-U.A.E.

DIRECTORS' REPORT

Dear Shareholder,

The Directors present the Twenty Eighth Annual Report for the year ended March 31, 2024.

FINANCIAL RESULTS:

Your Company's performance during the financial year ended March 31, 2024 is summarized below:

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total Income	**12,540.75**	16,937.15
Profit before Depreciation	**1,673.83**	1,633.83
Depreciation	**22.27**	33.40
Profit before Tax	**1,651.56**	1,600.43
Provision for Taxation including Deferred Tax	**500.77**	526.70
Profit after tax	**1,150.79**	1,073.73

State of Company's Affairs and future outlook

The company is a wholly owned subsidiary of Thermax Limited.

Your Company is engaged in rendering erection, commissioning, civil works and operation and maintenance services for turnkey contracts for power plants. The Company has established foreign branches at Manila (Philippines), Lusaka (Zambia) and Sharjah (United Arab Emirates) which are in the business of rendering supervision, operation and maintenance services for power plants.

During the year, the Company earned a total income of Rs 12,540.75 lakh (previous year Rs 16,937.15 lakh). Profit before tax stood at Rs 1,651.56 lakh (previous year Rs. 1,600.43 lakh) and profit after tax is Rs. 1,150.79 lakh (previous year Rs. 1,073.73 lakh).

Profit for the year is higher since, margins are slightly improved. The order booking in the current year was Rs. 3,440.28 lakh (previous year Rs. 6,883.28 lakh).

The Board of Directors of the Company at its meeting held on December 20, 2022 had approved a Scheme of arrangement (demerger) between Thermax Cooling Solutions Limited (TCSL) and your Company and their respective shareholders. Air Cooled Condensor (ACC) business of the TCSL was proposed to be demerged with Thermax Instrumentation Limited once the scheme was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT). Further Scheme of Arrangements was filled before the Hon'ble NCLT on December 23, 2022 and as per the Hon'ble NCLT order which was passed on December 20, 2023, the Company had completed the statutory requirements including filing of requisite Forms with the Ministry of Corporate Affairs.

The Hon'ble National Company Law Tribunal, Mumbai, through its order dated December 20, 2023 has approved the Scheme. The Company filed INC-28 with the Registrar of Companies on January 17, 2024 and hence the scheme became effective from that date i.e. January 17, 2024. Pursuant to such approval of the scheme, the ACC business of Thermax Cooling Solutions Limited has been merged with the Company and the Company has issued 17,00,000 10% Redeemable Preference Shares of Rs. 100 each to the equity shareholders of Thermax Cooling Solutions Limited and the Memorandum of Association (MOA) of the Company has been amended in order to incorporate the ACC business in the objects of the Company.

Change in nature of business

During the financial year 2023-24, your company has managed the affairs in a fair and transparent manner. ACC business has been started from appointed date of Demerger i.e. 1st April 2023.

Dividend

The Board of Directors at its Meeting held on March 25, 2024 declared interim dividend of Rs. 5/- per equity share for financial year 2023-24.

Amount Proposed to be carried to Reserves

The Company does not propose to carry any amount to reserves.

Share Capital

The Paid up equity Share Capital of the Company is Rs. 2600 lakh. During the year, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

During the year, pursuant to the Demerger order passed by the NCLT, the Company issued 17,00,000 10% Redeemable Preference Shares of Rs. 100 each to the shareholders of Thermax Cooling Solutions Limited. Accordingly, the paid-up share capital as well as authorised share capital of the Company was also revised in the following manner:

Before Demerger:

Before Demerger	Post Demerger
Authorised Share Capital: Rs. 24,00,00,000 divided into 1. Rs. 9,00,00,000 divided into 90,00,000 equity shares of Rs. 10 each; 2. 15,00,000 1% non-cumulative redeemable preference shares of Rs. 100 each **Paid - up share capital:** Rs. 9,00,00,000 divided into 90,00,000 equity shares of Rs. 10 each	**Authorised and paid-up share capital:** Rs. 26,00,00,000 divided into 1. Rs. 9,00,00,000 divided into 90,00,000 equity shares of Rs. 10 each; 2. 17,00,000 10% redeemable preference shares of Rs. 100 each

Board Meetings

The Board met five times during the year. The intervening gap between the two meetings was within the period prescribed under the Companies Act, 2013. Details of meetings attended by the members are as follows:

Name	Board Meetings				
	May 11, 2023	July 24, 2023	October 27, 2023	January 29, 2024	March 25, 2024
Mr. Rajendran Arunachalam	P	P	P	P	P
Mr. Ravinder Advani	P	A	A	A	A
Mr. Kirtiraj Jilkar	A	P	P	P	P

NA- Not Applicable, P- Present, A- Absent

Particulars of Loans, Guarantees or Investments

During the year under review the Company did not give any loan or made an investment pursuant to the provisions of Section 186 and Section 134(3) (g) of the Companies Act, 2013.

Related Party Transactions

All related party transactions (RPTs) that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of Related Party Transactions in AOC-2 are not attracted.

During the year, all RPTs were placed before the Board for its perusal and approval. A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the Financial Statements.

Explanation(s) / Comment(s) to Qualifications, Reservations, Adverse Remarks & Disclaimers made by the Auditors

There are no qualifications, reservations, adverse remarks and disclaimers made by the Auditors in their report on Financial Statements for the financial year ended March 31, 2024.

Material changes affecting financial position of the Company

There were no material changes and commitments that have occurred after the close of the year till the date of this report, which affects the financial position of the Company.

Conservation of Energy

The Company is very careful in using the power to reduce cost of maintenance and conserve resources. The Company makes an effort to use power from grid at its sites instead of DG sets.

Technological Absorption

There was no technology acquisition and absorption during the year under review.

Foreign Exchange Earnings and Outgo

Information pertaining to foreign exchange earnings and outgo, under Section 134 (3) (m) of the Companies Act, 2013 is as follows:

	(Rs. In lakh)
Foreign currency earnings	Rs. 4,555.40 (previous year Rs.4,152.97)
Foreign currency outgo	Rs 2,775.41 (previous year Rs.2,746.77)

Subsidiary / Associate / Joint Ventures Company

Your Company does not have any Subsidiary / Associate / Joint ventures company and there was no change in the position during the financial year 2023-24.

Business Risk Management

The Company has a process of evaluating risk. It keeps track of risk portfolio, and every quarter tracks the changes of any risk and prepares its mitigation plan. The Board is informed about the changes in economic and environmental factors and its impact on strategic business decision and risk portfolio. After detailed review of risk and mitigation measures the management has confirmed that there is no risk as on date which threatens the existence of the Company. It will continue to actively monitor and strengthen its risk management framework.

Health & Safety

The Company has continued to focus on safety at sites and has achieved most of the safety Key Performance Indicators.

The Company's performance in this area has been recognized by many of its customers including awards from two leading cement manufacturers for best safety performance.

Key Managerial Personnel (KMP)

There was no change in the KMP of the Company during the year.

Directors

Currently, the Board of the company comprises three Directors In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Kirtiraj Jilkar retires by rotation, and being eligible, offers himself for re-appointment as director.

Based upon the recommendation received from the Holding Company, the Board of Directors through its circular resolution passed on April 18, 2024, appointed Mr. Sandeep Deshpande (DIN: 09748806) as an Additional Director of your Company. Mr. Sandeep Deshpande holds office as an Additional Director upto the date of the ensuing Annual General Meeting of the Company, and subject to the approval of the members at the ensuing Annual General Meeting, the Board recommends to appoint Mr. Sandeep Deshpande as a Director of the Company.

Significant and Material Orders passed by the Regulators or Courts

During the year there are no significant material orders passed by the regulators / courts which can adversely impact the going concern status of the Company and its operations in future.

Adequacy of Internal Financial Controls

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

Public Deposits

During the financial year 2023-24 your Company has not accepted any deposits under Chapter V of the Companies Act, 2013. Consequently, it has no unpaid / unclaimed deposit(s) as on March 31, 2024.

Corporate Social Responsibility Initiatives

As a part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects mainly in the area of education. The projects are in accordance with Schedule VII of the Companies Act, 2013. Since 2007, CSR initiatives have been undertaken through Thermax Foundation. The detailed report on CSR is annexed.

Board Evaluation

The Board has put in place a mechanism for evaluation of its own performances and individual Directors. The evaluation of the Board, was conducted based on the evaluation parameters, such as Board composition and structure, effectiveness of the Board, participation at meetings, domain knowledge, and awareness etc.

Disclosure on Establishment of a Vigil Mechanism

The Provision of section 177(9) of the Companies Act, 2013, with respect to establishment of vigil mechanism are not applicable to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has framed an Internal Complaint Committee (ICC), pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. Further a policy on Sexual Harassment of women at workplace has been circulated to all employees for a proper mechanism for redressal of complaints of sexual harassment.

The Company is committed to provide a safe and conducive work environment to its employees. There were no cases pending at the beginning of the year / filed during the year, pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Fraud Reporting

During the Financial Year 2023-24, the Auditors have not reported any incident of fraud to the Board of Directors of the Company pursuant to provisions of Section 143(12) of the Companies Act, 2013.

Auditors

SRBC & CO. LLP Chartered Accountants (Firm Registration No.324982E/ E300003) appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of the 24th Annual General Meeting (AGM) until the conclusion of the 29th AGM.

Maintenance of Cost Records

The provisions of section 148 of the Companies Act, 2013 read with the Companies (Cost Record & Audit) Rules, 2014 are not applicable to the Company, as the Company was not covered under the class of companies engaged in the production of goods and/or providing services as per Rule 3 of the Companies (Cost Records & Audit) Rules, 2014, during the Financial Year 2023-24.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(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 judgment 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 systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Secretarial Standards

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1st April 2024. The Company is in compliance with the revised secretarial standards.

The Insolvency and Bankruptcy Code, 2016

During the Financial Year 2023-24, there was no application made and proceeding initiated / pending under the Insolvency and Bankruptcy Code, 2016 by any Financial and/or operational creditors against your Company.

Details of Difference between the Amounts of valuation at the time of one time settlement and the valuation done at the time of taking a loan from the banks or financial institutions along with the reasons thereof

During the year, there is no instance of onetime settlement with any Bank or Financial Institution.

Particulars of employees

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Acknowledgements

Your directors wish to place on record their appreciation for the continued support extended by the Company's customers, vendors and bankers during the year; and the dedicated contribution made by the employees and look forward to their continued support in the future as well.

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

	Rajendran Arunachalam	**Kirtiraj Jilkar**
Place : Pune	Director	Director
Date: May 8, 2024	DIN: 08446343	DIN: 09675574

ANNEXURE - 1

ANNUAL REPORT ON CSR ACTIVITIES AND CSR POLICY

CSR REPORT FOR THE FINANCIAL YEAR 2023-24

1. **Brief outline on CSR Policy of the Company**

   Thermax Instrumentation Limited is a wholly owned subsidiary of Thermax Limited, is a construction arm of the Holding Company. The Company is committed to contribute to the welfare of the community in which it is carrying out its business operations. Being a wholly owned subsidiary of Thermax Limited, it has been decided that the CSR policy of the company will be aligned with the CSR policy of Thermax Limited and the CSR activities of the company shall be conducted through Thermax Foundation (TF).

2. **Composition of CSR Committee:**

   Pursuant to the Companies Amendment Act, 2020 and notification dated January 22, 2021, where the amount spent by a company on CSR does not exceed fifty lakh rupees the requirement for constitution of the CSR Committee should not be applicable. Therefore, since the CSR contribution made by the Company for the FY 2023-24 did not exceed Rs. 50 lakhs, requirement of CSR committee will be not applicable.

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. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. — **NA**

5. (a) Average net profit of the Compny as per sub-section (5) of section 135: **Rs. 14.18 crores**

   (b) Two per cent of average net profit of the company as per section 135(5): **Rs. 28,38,000**

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financia years: **NA**

   (d) Amount required to be set off for the financial year, if any: **NA**

   (e) Total CSR obligation for the financial year (7a+7b- 7c): **Rs. 28,38,000**

6. (a) Amount spent on CSR Projects (both ongoing projects and other than ongoing projects): **Rs. 28,38,000**

   (b) Amount spent in Administrative Overheads: **NA**

   (c) Amount spent on impact assessment, if applicable: **NA**

   (d) Total amount spent for the financial year [(a)+(b)+(c)]: **Rs. 28,38,000**

   (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. Lakh)	**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 proviso to section 135(5).**		
	Amount.	**Date of transfer.**	**Name of the Fund**	**Amount.**	**Date of transfer**
Rs. 28,38,000	Not Applicable				

   (f) Excess amount for set-off, if any:

Sl. No.	**Particulars**	**Amount (in Rs.)**
1	2	3
(i)	Two per cent of the average net profit of the company as per section 135(5)	28,38,000
(ii)	Total amount spent for the financial year	28,38,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(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)]	-

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	**2**	**3**	**4**	**5**	**6**		**7**	**8**
Sl. No.	**Preceding Financial Year**	**Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)**	**Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in Rs.)**	**Amount Spent in the Financial Year (in Rs)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any**		**Amount remaining to be spent in succeeding Financial Years (in Rs)**	**Deficiency, if any**
					Amount (in Rs)	**Date of Transfer**		
Nil								
	TOTAL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No.**

   If yes, enter the number of Capital assets created/ acquired: **NA**

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NA**

Sl. No.	Short particulars of the property or asset(s [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **N.A**

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

Rajendran Arunachalam
Director
DIN: 08446343

Kirtiraj Jilkar
Director
DIN: 09675574

Place: Pune
Date: May 8, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Instrumentation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Thermax Instrumentation Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Philippines (Manila) and United Arab Emirates (Sharjah).

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 financial statements and on the other financial information of the branches, the aforesaid 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 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 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 financial statements.

Emphasis of Matter

We draw your attention to Note 32 to the financial statements in respect of Scheme of Arrangement (the "Scheme") filed between the Company and Thermax Cooling Solution Limited ("Demerged Company") for merger of Air Cooled Condensor (ACC) business ("demerged undertaking") from the appointed date of April 1, 2023, as approved by National Company Law Tribunal ("NCLT") vide its Order dated December 20, 2023. The Scheme has been accounted for in accordance with Ind AS 103 – Business Combinations i.e with effect from April 1, 2023, and accordingly, the published figures for the year ended March 31, 2023 have been restated to give effect to the aforesaid Scheme. Our opinion is not modified in respect of this matter.

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 Director's Report in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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.

Responsibility of Management for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the 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 branches to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of the components which have been audited by us. For the branches included in the 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.

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.

Other Matter

We did not audit the financial statements and other financial information of 2 (two) branches included in the accompanying financial statements of the Company whose financial statements and other financial information reflect total assets of Rs. 837.00 lakhs as at March 31, 2024 and the total revenues of Rs. 2,291.68 lakhs and net cash outflows of Rs. 252.04 lakhs for the year ended on that date, as considered in the financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the reports of such branch auditors. Our opinion is not modified in respect of this matter.

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 based on our audit and on the consideration of report of the branch auditors on financial statements and the other financial information of branches, as noted in the ‘Other Matter’ paragraph, 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 and proper reporting’s adequate for the purposes of our audit have been received from the branches not visited by us, except that, as more fully explained in Note 44(a), the books of account pertaining to the three foreign branches and certain books and records (i.e. employee reimbursement system) were not accessible at all times in India and the Company does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode and for the matters stated in the paragraph k (vi) below on reporting under Rule 11(g).

   (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

   (d) 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 and with the returns received from the branches not visited by us;

   (e) In our opinion, the aforesaid 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) The matter described in Emphasis of Matter paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;

   (g) 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;

   (h) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this Report;

   (i) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (k)(vi) below on reporting under Rule 11(g);

   (j) 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;

   (k) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the 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 19 to the financial statements;

      iii. There were no amounts which were 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, 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 or entity, 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 or entity, 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. The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Act; and

vi. Based on our examination which included test checks, the Company has used accounting softwares 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 except that, as described in note 44(b) to the financial statements, the audit trail feature is not enabled for certain master data and direct changes to data using certain access rights. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with the accounting software where audit trail has been enabled.

In case of foreign branches, the accounting software does not have the feature of audit trail (edit log) facility, accordingly, the requirement to report on tampering does not arise in case of foreign branches.

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

per Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLH1113

Place of Signature: Pune
Date: May 08, 2024

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Thermax Instrumentation Limited ('the Company')

(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) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified 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 during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 5 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks 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 financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets 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 Partnerships or any other parties as follows:

(Rs. in Lakhs)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year	Nil	Nil	0.50	Nil
a) Subsidiaries b) Joint Ventures c) Associates d) Others	Nil	Nil	a), b) and c) – Nil d) – 0.50	Nil
Balance outstanding as at balance sheet date in respect of above cases a) Subsidiaries b) Joint Ventures c) Associates d) Others	Nil	Nil	a), b) and c) – Nil d) – 0.20	Nil

(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, investments 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 loan(s) and / or advances in the nature of loans during the year to 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 overdue 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) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to 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) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, cess and other statutory dues applicable to it. 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.

The provisions relating to duty of customs, duty of excise, value added tax are not applicable to the Company.

(b) The dues of value added tax and cess have not been deposited on account of any dispute, are as follows:

Name of the Statue	Nature of the dues	Amount (Rs. In Lakhs) ^	Period to which the amount pertains	Forum where the dispute is pending
Goods and Services Tax, 2017 (Chhattisgarh)	Goods and Services Tax	0.23 (Net of Deposit of 0.02 lakhs)	2017-18	Joint Commissioner of State Tax (Appeals), Raipur, Chattisgarh
Goods and Services Tax, 2017 (Maharashtra)	Goods and Services Tax	137.12	2018-19	Deputy Commissioner of State Tax, Pune
		29.80 (Net of Deposit of 3.31 lakhs)	2017-18	Joint Commissioner of State Tax (Appeals), Pune, Maharashtra
		10.27 (Net of Deposit of 1.14 lakhs)	2018-19	
		171.65 (Net of Deposit of 19.07 lakhs)	2019-20	

Goods and Services Tax, 2017 (Orissa)	Goods and Services Tax	20.88 (Net of Deposit of 2.32 lakhs)	2017-18	Additional Commissioner (Appeals), CGST, Central Excise & Customs, Bhubaneshwar

^Excluding interest and penalty, if any 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 did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(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 (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, 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) No fraud by the Company or 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 us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(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), (b) and (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 Act, where applicable and the details have been disclosed in the notes to the 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 issue of our audit report on these 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 (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 (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) 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 financial year. The Company has not incurred cash losses in the immediately 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 40 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 28 to the 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 the Act. This matter has been disclosed in note 28 to the financial statements.

(xxi) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(xxi) of the Order is not applicable to the Company.

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

per Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLH1113

Place of Signature: Pune
Date: May 08, 2024

Annexure 2 Referred to in Paragraph 2(g) under the heading "Report On Other Legal And Regulatory Requirements" of our report of even date

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 financial statements of Thermax Instrumentation Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to 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 Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLH1113

Place of Signature: Pune
Date: May 08, 2024

Thermax Instrumentation Limited

BALANCE SHEET as at March 31, 2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023 (Restated) (Refer Note 32)
Assets			
I. Non-current assets			
Property, plant and equipment	4 (a)	79.60	99.74
Intangible assets	4 (b)	-	2.30
Financial assets:			
(a) Trade receivables	5 (a)	-	285.70
(b) Other assets	12 (a)	1.14	2.70
Deferred tax assets (net)	6	477.63	396.07
Income tax assets (net)		2,333.35	2,617.11
Other assets	7 (a)	523.20	556.78
Total Non-current assets		**3,414.92**	**3,960.40**
II. Current assets			
Inventories	8	-	124.94
Financial assets:			
(a) Investments	9	1,223.00	1,081.66
(b) Trade receivables	5 (b)	2,845.72	5,435.70
(c) Cash and cash equivalents	10 (a)	453.02	864.68
(d) Bank balances other than (c) above	10 (b)	1,371.13	1,317.26
(e) Loans	11	0.93	2.32
(f) Other assets	12 (b)	1,169.62	815.77
Other assets	7 (b)	1,272.11	1,451.90
Total Current assets		**8,335.53**	**11,094.23**
Total Assets		**11,750.45**	**15,054.63**
Equity and Liabilities			
I. Equity			
Equity share capital	13	900.00	900.00
Other equity	14	4,124.64	3,476.22
Total Equity		**5,024.64**	**4,376.22**
II. Non-current liabilities			
Financial liabilities:			
(a) Borrowings	15	1,700.00	-
(b) Trade payables	16 (a)	367.43	188.53
Total Non-current liabilities		**2,067.43**	**188.53**
III. Current liabilities			
Financial liabilities:			
(a) Trade payables	16 (b)		
- total outstanding dues of micro and small enterprises		1,425.31	1,222.22
- total outstanding dues of creditors other than micro and small enterprises		904.95	2,993.01
(b) Other liabilities	17	354.79	2,111.03
Other liabilities	18	1,852.54	3,841.94
Provisions	19	120.79	316.09
Income tax liabilities (net)		-	5.59
Total Current liabilities		**4,658.38**	**10,489.88**
Total Equity and Liabilities		**11,750.45**	**15,054.63**
Summary of material accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	3		

The accompanying notes are an integral part of these financial statements.

Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note No	March 31, 2024	March 31, 2023 (Restated) (Refer Note 32)
Income			
Revenue from operations	20	12,050.92	16,494.14
Other income	21	489.83	443.01
Total income (I)		**12,540.75**	**16,937.15**
Expenses			
Project bought-out and components	22 (a)	722.24	1,816.39
Purchase of traded goods	22 (b)	-	13.68
(Increase) / decrease in inventories	22 (c)	-	244.71
Employee benefits expenses	23	2,850.14	3,074.32
Finance cost	24	14.55	11.37
Depreciation and amortisation expense	25	22.27	33.40
Other expenses	26	7,279.99	10,142.85
Total expenses (II)		**10,889.19**	**15,336.72**
Profit before tax (III = I-II)		**1,651.56**	**1,600.43**
Tax expense			
Current tax	29	530.99	595.19
Adjustment of tax relating to earlier periods	29	47.55	43.91
Deferred tax	29	(77.77)	(112.40)
Total tax expense (IV)		**500.77**	**526.70**
Profit for the year (V = III-IV)		**1,150.79**	**1,073.73**
Other comprehensive income			
A. Items that will be reclassified subsequently to profit or loss	30		
Net (loss) / gain on translation of foreign operations		(29.46)	9.54
Less: Income tax effect		-	-
		(29.46)	**9.54**
B. Items that will not be reclassified subsequently to profit or loss	30		
Re-measurement (loss)/gain of defined benefit plan		(15.10)	4.91
Less: Income tax effect		3.79	(0.58)
		(11.31)	4.33
Total other comprehensive income for the year (net of tax) (VI)		**(40.77)**	**13.87**
Total comprehensive income for the year (VII = V+VI)		**1,110.02**	**1,087.60**
Earning per equity share [Nominal value Rs. 10 each (March 31, 2023: Rs. 10)] Basic and diluted	31	**12.79**	**11.93**
Summary of material accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	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

per Sumit Kumar Agrawal
Partner
Membership No. 135859

Place: Pune
Date: May 08, 2024

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

Kirtiraj Jilkar
Director
DIN: 09675574

Rajendran Arunachalam
Director
DIN: 08446343

Ramachandra Bharathi
Manager

Sudhir Lale
Company Secretary

Place: Pune
Date: May 08, 2024

Statement of changes in equity for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

A Equity Share Capital*

Particulars	Note	No. of shares	March 31, 2024	March 31, 2023
Balance at the beginning of the year	13	9,000,000	900.00	900.00
Change in equity shares capital during the year	13	-	-	-
Balance at the end of the year	13	9,000,000	**900.00**	**900.00**

B Other Equity*

Particulars	Reserves & Surplus				Items of OCI	Total Other Equity
	Capital reserve	Capital redemption reserve	Retained Earnings	Total	Foreign Currency Translation Reserve	
As at April 01, 2022	**1,118.84**	**1,000.00**	**1,297.24**	**3,416.08**	**28.59**	**3,444.67**
Adjustment due to business combination (note 32)	(718.03)	-	(338.02)	**(1,056.05)**	**-**	(1,056.05)
Profit for the year	-	-	1,073.73	**1,073.73**	**-**	1,073.73
Other comprehensive income (net) (note 30)	-	-	4.33	**4.33**	**9.54**	13.87
As at March 31, 2023	**400.81**	**1,000.00**	**2,037.28**	**3,438.09**	**38.13**	**3,476.22**
Profit for the year	-	-	1,150.79	**1,150.79**	**-**	1,150.79
Other comprehensive income (net) (note 30)	-	-	(11.31)	**(11.31)**	**(29.46)**	(40.77)
Transaction cost for increase in share capital	-	-	(11.60)	**(11.60)**	**-**	(11.60)
Dividends paid	-	-	(450.00)	**(450.00)**	**-**	(450.00)
As at March 31, 2024	**400.81**	**1,000.00**	**2,715.16**	**4,115.97**	**8.67**	**4,124.64**

* 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 Sumit Kumar Agrawal
Partner
Membership No. 135859

Place: Pune
Date: May 08, 2024

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

Kirtiraj Jilkar
Director
DIN: 09675574

Rajendran Arunachalam
Director
DIN: 08446343

Ramachandra Bharathi
Manager

Sudhir Lale
Company Secretary

Place: Pune
Date: May 08, 2024

Thermax Instrumentation Limited

Cash flow statement for the year ended March 31, 2024

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

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023 (Restated)
A)	**Cash flows from operating activities**		
	Profit before tax	**1,651.56**	**1,600.43**
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense	22.27	33.40
	Provision for impairment allowance of financial assets (net)	(62.66)	(93.06)
	Interest expense	14.55	11.37
	Bad debts/advances written off	92.49	203.70
	(Gain) on sale/discard of assets (net)	(0.03)	(1.68)
	Interest income from bank	(72.71)	(42.39)
	Interest income - others	(22.91)	(38.05)
	Unrealised foreign exchange (gain) (net)	23.73	(4.61)
	Fair value gain on financial instruments at fair value through profit and loss (net)	(96.37)	(37.89)
	Liabilities no longer required written back	(232.06)	(257.38)
	Cash flows before working capital changes	**1,317.86**	**1,373.84**
	Working capital adjustments		
	Decrease in trade receivables	2,849.69	218.74
	Decrease / (Increase) in other non-current financial assets	1.56	(1.14)
	Decrease / (Increase) in other non-current assets	33.58	(25.82)
	Decrease in Inventories	124.94	119.77
	(Increase)/ Decrease in other financial assets	(353.85)	707.97
	Decrease in other current assets	170.63	318.72
	Decrease in loans	1.39	1.92
	(Decrease) in trade payables	(1,501.57)	(1,005.84)
	(Decrease) in other current liabilities	(1,989.40)	(785.21)
	(Decrease)/ increase in other financial liabilities	(1,756.24)	95.93
	(Decrease) in provisions	(195.30)	(25.13)
		(2,614.57)	**(380.09)**
	Cash generated from operations	**(1,296.71)**	**993.75**
	Direct taxes paid (net of refunds)	(277.46)	(483.53)
	Net cash flow (used in)/ from operating activities	**(1,574.17)**	**510.22**
B)	**Cash flows from/ (used in) investing activities**		
	Purchase of property, plant and equipment	(0.09)	(3.93)
	Net proceeds from sale of property, plant and equipment	0.40	2.55
	Purchase of units of mutual funds (quoted)	(449.97)	(2,324.88)
	Proceeds from sale of short term investments	405.00	1,856.14
	Interest income on fixed deposit	63.78	32.94
	Investment in fixed deposits	(2,700.00)	(3,068.00)
	Redemption of fixed deposits	2,649.00	2,819.00
	Net cash flows (used in) investing activities	**(31.88)**	**(686.18)**
C)	**Cash flows from/ (used in) financing activities**		
	Issue of Preference Shares	1,700.00	-
	Transaction cost for increase in share capital	(11.60)	-
	Interim dividend paid	(450.00)	-
	Interest paid	(14.55)	(11.37)
	Net cash flows from/ (used in) financing activities	**1,223.85**	**(11.37)**
	Net (decrease) in cash and cash equivalents	**(382.20)**	**(187.33)**
	Cash and cash equivalents at the beginning of the year	864.68	1,042.47
	Effect of exchange differences on translation of foreign operations	(29.46)	9.54
	Cash and cash equivalents at the end of the year	**453.02**	**864.68**

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

	Note No.	March 31, 2024	March 31, 2023 (Restated)
Cash and cash equivalents	10 (a)	453.02	864.68
Balances as per Cash flow statement		**453.02**	**864.68**

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No.324982E/E300003

per Sumit Kumar Agrawal
Partner
Membership No. 135859

Place: Pune
Date: May 08, 2024

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

Kirtiraj Jilkar
Director
DIN: 09675574

Rajendran Arunachalam
Director
DIN: 08446343

Ramachandra Bharathi
Manager

Sudhir Lale
Company Secretary

Place: Pune
Date: May 08, 2024

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

1. Corporate information

Thermax Instrumentation Limited (the "Company") is a public company incorporated and domiciled in India. The Company is engaged in rendering erection, commissioning, civil works and operation and maintenance services for turnkey contracts for power plants. The Company has established foreign branches at Manila (Philippines), Lusaka (Zambia) and Sharjah (United Arab Emirates) which are in the business of rendering supervision, operation and maintenance services for power plants. The Company caters to both domestic and international markets. The CIN of the Company is U72200MH1996PTC099050. The financial statements were authorised for issue in accordance with the resolution of Board of Directors on May 08, 2024.

2. Material accounting policies

2.1. Basis of preparation and measurement

(a) Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under Section 133 of the Companies Act, 2013(the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (from time to time) and presentation requirement of Division II of Schedule III to the Act as applicable to the financial statements.

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

(b) Basis of measurement

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

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

2.2. 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 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 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 amendments had no impact on the Company's financial statements.

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.

2.3 Summary of material accounting policies

a. Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

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

b. Foreign currencies

The Company's financial statements are prepared in INR, which is the also functional currency of the Company.

For each independent business unit, the Company determines the functional currency and items included in the financial statements of each unit are measured using that functional currency. The Company uses the direct method of consolidation for branches and on disposal of a foreign operation the gain or loss that is reclassified to the Statement of profit and loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's branches at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

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 recognized in the Statement of profit and loss except exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in the Statement of profit and loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., financial statements when the foreign operation is a branch), such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to the Statement of profit and loss on disposal of the net investment.

Tax charges and credits attributable to exchange differences on those monetary items, if any, are also recorded in OCI. 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or the Statement of profit and loss are also recognized in OCI or the Statement of profit and loss, respectively).

Company's foreign branches

The Company has foreign operations that are subject to legal and regulatory regimes of the country of incorporation. The foreign operations are subject to such a regime and have transactions in their own local currency, the branches are considered as sufficiently autonomous business units by the management. Hence, the functional currency of the branches has been assessed to be United State Dollars (US$) while that of the India operations continues to be INR.

The assets and liabilities of foreign operations are translated into INR, which is the presentation currency of the Company, at the rate of exchange prevailing at the reporting date and their Statement of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Company 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 of branches are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Statement of profit and loss.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant judgements, estimates and assumptions (note 3)
- Quantitative disclosures of fair value measurement hierarchy (note 38)
- Financial instruments (including those carried at amortized cost) (note 38)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

At present, the impact of climate-related matters is not material to the Company's financial statements.

d. Property, plant and equipment

Property, plant and equipment (PPE) is 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 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.

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

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	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Buildings	30	30
Plant and equipment*	15	15 to 20
Office equipment*	5	5
Computers	3 to 6	3 to 6
Vehicles	7 to 10	8

*includes site infrastructure which is fully depreciated in the year of purchase

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.

e. Intangible Assets

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 amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized 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 amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized 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 recognized in the Statement of profit and loss when the asset is derecognized.

A summary of amortization rates applied to the intangible assets are as below:

Assets category	Life (years)
Computer software	3

f. Inventories

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 realizable 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.

g. Revenue Recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized 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 recognized 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.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

The Company has following streams of revenue:

(i) Revenue from Engineering, Procurement and Construction contracts

Engineering, Procurement and Construction contracts are contracts (or a group 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 recognized over a period of time if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

(c) 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 recognizes revenue over time as it performs because of continuous transfer of control to the customer. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customer typically controls 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 fees or 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 recognized 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 recognized 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 recognizes the expected losses from onerous contract as an expense immediately. Penalties for any delay or improper execution of a contract are recognized as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

On the balance sheet date, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognized profits (less recognized losses) exceed progress billings; a contract represents a liability where the opposite is the case.

(ii) Revenue from sale of goods

If the criteria for revenue under over-a-period of time as mentioned above are not met, the company recognizes revenue at point-in-time. The point-in-time is determined when the control of the goods is transferred which is generally determined based on when the significant risk and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right of payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where the control has been transferred. The Company provides for warranty provision for general repairs up to 12-24 months on its products sold, in line with the industry practice. A liability is recognized at the time the product is sold. The Company does not provide any extended warranties.

(iii) 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 recognized as the related services are performed on a time proportion basis under the contracts.

Contract balances

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 that is conditional and are transferred to Trade receivables on completion of milestones and its related invoicing. Contract assets are recorded in balance sheet as unbilled revenue.

Trade receivables: 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). Also refer accounting policies on financial instruments in note (h) below.

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.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend

Dividend to equity shareholders is recognized 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 recognized as a liability and deducted from shareholders' equity in the year in which the dividends are declared by the Board of directors.

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.

h. 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

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset. For all subsequent measurements financial assets are classified in following categories by the Company:

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL.

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

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind-AS 103 applies 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.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on the sale of the investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

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 recognized 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 amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

i. Cash and cash equivalents

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 Company's cash management.

j. Share capital

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

k. Income tax

Current income tax

Current income 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 countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside the Statement of profit and loss is recognized either in OCI or in equity. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. The 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside the Statement of profit and loss is recognized outside the Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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 and the same taxation authority.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

l. Borrowing costs

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 capitalized 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.

m. Leases

Company as a lessee

The Company's leases primarily consist of leases for land, buildings and office equipments. 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 recognizes a right-of-use asset ("ROU") 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized 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.

Company as a lessor

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 recognized 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 recognized over the lease term on the same basis as rental income.

n. Impairment of non-financial assets

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 including impairment on inventory are recognized 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 recognized 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 recognized impairment loss is

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

o. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognized 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.

Provision for onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

p. 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 recognizes 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 recognized 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 recognized 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 recognized 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 recognized in the Statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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 utilized 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.

q. Segment reporting

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 Manager of the Company as the chief executive decision maker of the Company.

r. Contingent liability

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.

s. Earnings Per Share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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 diluted potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (that is the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the authorization for issue of the financial statements by the Board of Directors.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

i. Revenue recognition on construction contracts

A significant portion of the Company's business relates to construction of assets which are accounted using percentage-of-completion method, recognizing revenue as the performance on the contract progresses. This requires Management to make judgement with respect to identifying contracts which need to be accounted under percentage-of-completion method, depending upon the level of customization and the period of the fulfilment of the performance obligations under the contract. The percentage-of-completion method requires Management to make significant estimates of the extent of progress towards completion including accounting of multiple contracts which need to be combined and considered as a single contract.

ii. 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 contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable 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.

iii. Segment reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in 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.

The Board of Directors has determined that the CODM is the Manager of the Company, based on its internal reporting structure and functions of the Company. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Manager 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 one reportable segment i.e. Industrial Infra.

iv. Functional currency of branches

The Company has foreign operations that are required to comply with the local laws and regulations of those countries. The management has carried out an assessment each individual business unit operating in the separate geographical location. The management has performed this assessment for the purpose of defining that Company's foreign currency exposure which affects it results and financial position due to currency fluctuation. The business of the three branches is different from the Indian unit. The revenue and expenses are mainly United States Dollar (US$) denominated and retained earnings which are separately held in a US$ bank account are considered as the major factors for assessment of the functional currency. Accordingly, the functional currency is designated as US$ for the foreign branches.

3.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Constructions contracts:

- Provisions for liquidated damages claims (LD's): The Company provides for LD claims where there have been significant contract delays and it is considered probable that the customer will successfully pursue such a claim. This requires an estimate of the amount of LD's payable under a claim which involves a number of management judgements and assumptions regarding the amounts to recognize.

- 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 and 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

- Provision for onerous contracts: The Company provides for future losses on long-term contracts where it is considered 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. Refer note 19 to the financial statements.

ii. Defined benefit plans - 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. Further details about gratuity obligations are given in note 36.

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

iii. Impairment of financial assets

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 judgement 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 impairment loss allowance on portfolio of its trade receivables for its Indian operations. 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 analyzed. On that basis, the Company estimates a default rate of 0.2% of total revenue for trade receivables and 0.5% of contract revenue for contract receivables. The Company follows provisioning norms based on ageing of receivables to estimate the ECL provision. For retention receivables, the Company additionally categorizes the receivables due from Public Sector Undertakings (PSUs) and Non-PSUs and follows a wider aged bucket provisioning norm as the performance guarantee tests require certain time period ranging up to 8 and 10 years respectively. Refer note 5 and 12 for details of impairment allowance recognized as at the reporting date.

iv. Deferred taxes

The Company is subject to local taxes on income attributable to its branches as per the income tax laws in Philippines and Zambia. Additionally, the Company is subject to a 15%/20%/0% branch profit tax in these Philippines/Zambia/Sharjah respectively on the "Business Profit Remittances" and "Withholding Tax Return – Dividend" as that term is defined under Philippine and Zambian tax laws respectively. The Company intends to maintain the minimum required level of net assets as per the local regulation in these branches commensurate with its operation and consistent with its business plan. The Company intends to repatriate the branch profits in the foreseeable future and accordingly, the Company has recorded deferred tax liability for profits of the branches not repatriated to India amounting to Rs. 68.83 (March 31, 2023: Rs 135.03) as at the balance sheet date.

v. 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.

3.3 Standards issued but not 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.

4(a) Property, plant and equipment*

Particulars	Leasehold land	Buildings	Plant and equipment	Office equipment	Computer	Furniture & fixtures	Total
Gross carrying amount							
As at April 01, 2022 (Restated)	**12.22**	**304.19**	**73.18**	**178.63**	**67.78**	**0.02**	**636.02**
Additions	-	-	-	2.91	1.02	-	3.93
Disposals	-	-	(0.44)	(40.04)	(16.34)	-	(56.82)
As at March 31, 2023	**12.22**	**304.19**	**72.74**	**141.50**	**52.46**	**0.02**	**583.13**
Additions	-	-	-	0.09	-	-	0.09
Disposals	-	-	-	(53.17)	(13.98)	-	(67.15)
As at March 31, 2024	**12.22**	**304.19**	**72.74**	**88.42**	**38.48**	**0.02**	**516.07**
Accumulated depreciation							
As at April 01, 2022 (Restated)	**4.35**	**218.77**	**56.29**	**178.56**	**58.43**	**-**	**516.40**
Charge for the year	0.20	14.16	3.66	0.03	4.89	-	22.94
Disposals	-	-	(0.44)	(40.04)	(15.47)	-	(55.95)
As at March 31, 2023	**4.55**	**232.93**	**59.51**	**138.55**	**47.85**	**-**	**483.39**
Charge for the year	0.12	10.14	4.80	2.58	2.33	-	19.97
Disposals	-	-	-	(52.92)	(13.97)	-	(66.89)
As at March 31, 2024	**4.67**	**243.07**	**64.31**	**88.21**	**36.21**	**-**	**436.47**
Net Block							
As at March 31, 2024	**7.55**	**61.12**	**8.43**	**0.21**	**2.27**	**0.02**	**79.60**
As at March 31, 2023	7.67	71.26	13.23	2.95	4.61	0.02	99.74

* The Company had elected to continue with the carrying value of property, plant and equipment as recognised in the 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 Company has disclosed the gross block and accumulated depreciation above, for information purpose only.

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

4(b) Intangible assets**

Particulars	Computer software
Gross carrying amount	
As at April 01, 2022 (Restated)	**42.91**
Additions	-
Disposals	-
As at March 31, 2023	**42.91**
Additions	-
Disposals	-
As at March 31, 2024	**42.91**
Accumulated amortisation	
As at April 01, 2022 (Restated)	**30.15**
Charge for the year	10.46
Disposals	-
As at March 31, 2023	**40.61**
Charge for the year	2.30
Disposals	-
As at March 31, 2024	**42.91**
Net Block	
As at March 31, 2024	**-**
As at March 31, 2023	2.30

** The Company had elected to continue with the carrying value of intangible asset as recognised in the 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 Company has disclosed the gross block and accumulated amortisation above, for information purpose only.

5 Trade receivables

5 (a) Non current trade receivables

	As at March 31, 2024	As at March 31, 2023
At amortized cost		
Trade receivables		
(i) Related parties (note 37)	-	285.70
(ii) Others	-	-
Total receivables	**-**	**285.70**
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	-	538.00
Trade receivables which have a significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
	-	**538.00**
Less: impairment allowance	-	(252.30)
Total	**-**	**285.70**

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

Particulars		Not Due*	Unbilled	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	538.00	-	-	-	-	-	-	538.00
Less: impairment allowance	March 31,2024								-
	March 31,2023								(252.30)
Total	March 31,2024								**-**
	March 31,2023								285.70

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

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

5 (b) Current trade receivables

	As at March 31, 2024	As at March 31, 2023
At amortized cost		
Trade receivables		
(i) Related parties (note 37)	1,305.61	2,913.17
(ii) Others	1,540.11	2,522.53
Total receivables	**2,845.72**	**5,435.70**
Break-up of security details		
Secured, considered good	53.21	173.29
Unsecured, considered good	3,862.06	6,114.03
Trade receivables which have a significant increase in credit risk	74.56	74.56
Trade receivables - credit impaired	77.01	105.30
	4,066.84	**6,467.18**
Less: Impairment allowance	(1,221.12)	(1,031.48)
Total	**2,845.72**	**5,435.70**

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

Particulars		Not Due*	Unbilled	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	478.02	-	1,107.11	975.38	616.59	64.22	673.95	3,915.27
	March 31, 2023	1,670.34	468.83	2,606.28	482.08	385.84	4.14	669.81	6,287.32
(ii) Undisputed trade receivables- which have significant increase in credit risk	March 31, 2024	-	-	-	-	-	-	74.56	74.56
	March 31, 2023	-	-	-	-	-	-	74.56	74.56
(iii) Undisputed trade receivables- credit impaired	March 31, 2024	-	-	-	-	-	8.13	68.88	77.01
	March 31, 2023	-	-	-	8.40	28.02	-	68.88	105.30
Subtotal	**March 31, 2024**	**478.02**	**-**	**1,107.11**	**975.38**	**616.59**	**72.35**	**817.39**	**4,066.84**
	March 31, 2023	1,670.34	468.83	2,606.28	490.48	413.86	4.14	813.25	**6,467.18**
Less: impairment allowance*	March 31, 2024								(1,221.12)
	March 31, 2023								(1,031.48)
Total	**March 31, 2024**								**2,845.72**
	March 31, 2023								**5,435.70**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are 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 37.

*Includes provision of Rs. 74.56 (March 31, 2023:Rs. 74.56) for trade receivables which have significant increase in credit risk and provision of Rs.77.01 (March 31, 2023:Rs. 105.30) for trade receivables which are credit impaired.

The Company has recorded an impairment of receivables relating to amounts owed by related parties as per the policy. The assessment is undertaken each financial year by examining the final contract completion milestones of the related party with the end customer.

Trade receivables are non-interest bearing and are generally on terms of 30-90 days.

At March 31, 2024 the Company has Rs. 2,000.00 (March 31, 2023 : Rs 2,000.00) undrawn borrowing facilities hypothecated against trade receivables.

6 Deferred tax assets (Net)

	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities		
Retained earnings of foreign branches	(68.83)	(135.03)
Unrealized foreign exchange gain	(1.07)	(2.57)
	(69.90)	**(137.60)**
Deferred tax assets		
Accelerated depreciation for tax purpose	21.88	21.32
Provision for doubtful debts and advances	363.20	331.07
Items allowed on payment basis	68.61	28.99
Temporary differences in accounting treatment as required by income tax standards	-	42.77
Other (includes deferred tax balances pertaining to branches)	93.84	109.52
	547.53	**533.67**
Deferred tax assets (net)	**477.63**	**396.07**

The Company 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.

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Reconciliation of deferred tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Opening balance	396.07	284.25
Tax income during the year recognised in profit or loss (note 29)	77.77	112.40
Tax income/ (expense) during the year recognised in OCI (note 29)	3.79	(0.58)
Closing balance	**477.63**	**396.07**

Break up of gross deferred tax assets/liabilities

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	547.53	533.67
Deferred tax liabilities	(69.90)	(137.60)
Net deferred tax assets	**477.63**	**396.07**

Statement of Profit & Loss (including OCI)

	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following :		
Retained earnings of foreign branches	(66.20)	(12.77)
Unrealized foreign exchange gain	(1.50)	2.31
Difference between tax depreciation and depreciation/ amortisation charged for financial reporting purposes	(0.56)	0.83
Provision for doubtful debts and advances	(32.13)	(29.60)
Temporary differences due to accounting treatment as required by Income tax standards	42.77	(14.22)
Items allowed on payment basis	(39.62)	1.52
Other (includes deferred tax balances pertaining to branches)	15.68	(59.89)
Deferred tax expense	**(81.56)**	**(111.82)**

7 Other assets

7 (a) Other non-current assets

	As at March 31, 2024	As at March 31, 2023
Balances with government authorities		
Unsecured, considered good	523.20	556.78
Unsecured, considered doubtful	22.73	40.04
	545.93	596.82
Less : Impairment allowance	(22.73)	(40.04)
Total	**523.20**	**556.78**

7 (b) Other current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Advances to suppliers	212.57	419.77
Advances to employees	48.17	193.01
Prepaid expenses	49.15	35.07
Balances with government authorities	900.81	721.78
Prepayments (note 36)	6.47	70.10
Others	54.94	12.17
Total	**1,272.11**	**1,451.90**

There were no advances due by directors or other 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 a director is a partner or a member.

8 Inventories

	As at March 31, 2024	As at March 31, 2023
Components and bought-outs*	-	124.94
Total	**-**	**124.94**

* includes inventory with third party of Rs. Nil (March 31, 2023 : Rs. 124.94)

9 Investments

	As at March 31, 2024	As at March 31, 2023
Investments at Fair value through profit or loss		
Units of mutual funds (quoted)	1,223.00	1,081.66
Total	**1,223.00**	**1,081.66**
Aggregate amount of quoted investments	1,223.00	1,081.66

Investment in fair value through profit or loss reflect investment in quoted equity securities. Refer note 38 for determination of their fair values.

10 (a) Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts*	452.98	863.79
Cash on hand	0.04	0.89
Total	**453.02**	**864.68**

* this includes bank balances of Rs. 233.80 (March 31, 2023 : Rs. 597.90) at branches which can be used freely for business in respective country of incorporation. For any repatriation to India, these are subject to repatriation taxes as per the local laws of those countries.

10 (b) Other bank balances

	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than 3 months but less than 12 months *	1,371.13	1,317.26
Total	**1,371.13**	**1,317.26**

* includes deposit of Rs.100 in the name of Thermax Cooling Solutions Limited (TCSL). The company is in the process to transfer in its name from TCSL.

11 Loans

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
At amortised cost		
Loans to employees	0.93	2.32
Total	**0.93**	**2.32**

No loans are due from directors or other officers 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.

Notes to financial statements for the year ended March 31, 2024

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

12 Other financial assets

12 (a) Other non current financial assets

	As at March 31, 2024	As at March 31, 2023
Security deposits	1.14	2.70
Total	**1.14**	**2.70**

12 (b) Other current financial assets

	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Unbilled revenue (note 20)* (Contract assets)	1,112.55	733.88
Trade deposits #	47.33	64.39
Security deposits	9.74	17.50
Total	**1,169.62**	**815.77**

* Unbilled revenue is net of impairment allowance of Rs. 86.75 (March 31, 2023: Rs. 86.75) (note 20).

Trade deposits represents deposit given as per statutory requirements for overseas branch.

13 Share capital

	As at March 31, 2024	As at March 31, 2023
Authorized shares		
9,000,000 (March 31, 2023 : 9,000,000) equity shares of Rs. 10/- each	900.00	900.00
1,700,000 (March 31, 2023 : Nil) 10% redeemable preference shares of Rs 100/- each	1,700.00	-
	2,600.00	**900.00**
Issued, subscribed and fully paid share capital		
9,000,000 (March 31, 2023 : 9,000,000) equity shares of Rs. 10/- each	900.00	900.00
Total issued, subscribed and fully paid-up share capital	**900.00**	**900.00**

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

	No. of shares	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
As at April 01, 2022	9,000,000	900.00
Changes during the year	-	-
As at March 31, 2023	9,000,000	900.00
Changes during the year	-	-
As at March 31, 2024	**9,000,000**	**900.00**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 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/ promoter

	As at March 31, 2024	As at March 31, 2023
Thermax Limited	900.00	900.00
9,000,000 (March 31, 2023: 9,000,000) equity shares of Rs. 10/- each fully paid		

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

	As at March 31, 2024	As at March 31, 2023
Thermax Limited		
%	100.00	100.00
No. of shares (including 6 share held by nominee shareholders)*	9,000,000	9,000,000

*As per the records of the company, including it's register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.

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

14 Other equity

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Capital reserve		
Opening balance (Restated)	400.81	1,118.84
Adjustment due to business combination (note 32)	-	(718.03)
Total capital reserve	**400.81**	**400.81**
Capital redemption reserve	1,000.00	1,000.00
Retained earnings		
Opening balance	1,877.07	799.01
Add: Profit for the year	1,150.79	1,073.73
Less: Transaction cost for increase in share capital	(11.60)	-
Less: Interim dividend paid	(450.00)	-
Movement during the year	689.19	1,073.73
Items of other comprehensive income recognized directly in retained earnings:		
Re-measurement gain/(loss) on defined benefit plans, net of tax Rs. 3.79 (March 31, 2023 : Rs. 0.58)	(11.31)	4.33
Net Surplus in the Statement of profit and loss	**2,554.95**	**1,877.07**
Total Reserves and surplus	**3,955.76**	**3,277.88**
Other Reserve		
Foreign currency translation reserve		
Opening balance	38.13	28.59
Add : Movement during the year (net)	(29.46)	9.54
Closing balance	**8.67**	**38.13**
Fair value adjustment of redeemable preference shares, net of tax Rs. 65.82 (March 31, 2023: Rs. 65.82)	160.21	160.21
Total	**4,124.64**	**3,476.22**

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Capital reserve

Capital Reserve pertains to reserves arising on amalgamations in the earlier years and demerger in current financial year (note 32) which is required to be maintained as per statute and is not distributable to the shareholders.

Capital redemption reserve

The Company has created Capital redemption reserve on redemption of non-cumulative redeemable preference shares in accordance with the Companies Act, 2013.

Retained Earnings

Retained Earnings are the profits that company has earned till date, less any transfer to General Reserve, transaction cost relating to equity, dividends or other distributions paid to shareholders.

Foreign currency translation reserve

The Foreign currency translation reserve pertains to exchange differences on the translation of foreign branches having a functional currency other than INR.

15 Non-current borrowings

	As at March 31, 2024	As at March 31, 2023
10% Non-cumulative Redeemable Preference Shares at fair value	1,700.00	-
1,700,000 Preference Shares of Rs 100/- each fully paid^		
Total non current borrowings	**1,700.00**	**-**

^ Preference shares pertain to 10% non cummilative redeemable preference shares issued to the Holding Company.
This forms a part of the authorized share capital of 1,700,000 Nos. (March 31, 2023: Nil) 10% redeemable preference shares of Rs 100 each as per the Companies Act, 2013.

16 Trade payable

16 (a) Non-current trade payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (note 16 (c))	-	-
Total outstanding dues of creditors other than micro and small enterprises	367.43	188.53
Total	**367.43**	**188.53**

		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) Outstanding dues of micro and small enterprises	March 31, 2024	-	-	-	-	-	-
	March 31, 2023	-	-	-	-	-	-
(ii) Outstanding dues of creditors other than micro and small enterprises	March 31, 2024	363.68	-	-	-	-	363.68
	March 31, 2023	185.42	-	-	-	-	185.42
(iii) Disputed dues of micro and small enterprises	March 31, 2024	-	-	-	-	-	-
	March 31, 2023						-
(iv) Disputed dues of creditors other than micro and small enterprises	March 31, 2024	3.75	-	-	-	-	**3.75**
	March 31, 2023	3.11	-	-	-	-	**3.11**
Total	**March 31, 2024**	**367.43**	**-**	**-**	**-**	**-**	**367.43**
	March 31, 2023	188.53	-	-	-	-	**188.53**

16 (b) Current trade payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (note 16 (c))	1,425.31	1,222.22
Total outstanding dues of creditors other than micro and small enterprises		
(i) Related parties (note 37)	56.85	284.80
(ii) Others	848.10	2,708.21
Total	**2,330.26**	**4,215.23**

Notes to financial statements for the year ended March 31, 2024

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

For terms and conditions with related parties, refer note 37.

Trade payables are non-interest bearing and are generally on terms of 30-90 days.

The ageing of current trade payables which are due for payment :

		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) Outstanding dues of micro and small enterprises	March 31, 2024	1,221.97	203.34	-	-	-	1,425.31
	March 31, 2023	675.68	543.32	-	-	-	1,219.00
(ii) Outstanding dues of creditors other than micro and small enterprises	March 31, 2024	251.20	74.71	116.77	33.13	75.34	551.15
	March 31, 2023	1,097.38	505.56	39.65	2.36	196.01	1,840.96
(iii) Disputed dues of micro and small enterprises	March 31, 2024	-	-	-	-	-	-
	March 31, 2023	3.22	-	-	-	-	3.22
(iv) Disputed dues of creditors other than micro and small enterprises	March 31, 2024	8.67	-	-	-	-	8.67
	March 31, 2023	8.74	-	-	-	-	8.74
Subtotal	**March 31, 2024**	**1,481.84**	**278.05**	**116.77**	**33.13**	**75.34**	**1,985.13**
	March 31, 2023	1,785.02	1,048.88	39.65	2.36	196.01	3,071.92
Unbilled trade payables	March 31, 2024						345.13
	March 31, 2023						1,143.31
Total	**March 31, 2024**						**2,330.26**
	March 31, 2023						4,215.23

16 (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
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	1,398.76	1,209.69
- Interest due thereon	1.87	1.08
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	-	-
The amount of payment made to the supplier beyond the appointed day during the period	890.18	816.40
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	13.81	5.58
The amount of interest accrued and remaining unpaid at the end of each accounting year	15.68	6.66
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	26.55	10.63

*Information in this regard is on the basis of intimation received on request made by the Company, with regards to registration of vendors under said Act

17 Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	-	0.92
At amortized cost		
Employee related payables	226.35	224.95
Customer deposits	62.42	61.50
Payable due to business combination (note 32)	-	1,700.00
Other payables (note 37) **	66.02	123.66
Total	**354.79**	**2,111.03**

** includes payable to related party for post employment benefits pertaining to transferred employees.

18 Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Unearned revenue (note 20) (contract liabilities)	654.12	1,476.72
Customer advances (contract liabilities)		
(i) Related parties (note 37)	897.41	1,673.98
(ii) Others	101.30	463.39
Statutory dues and other liabilities*	199.71	227.85
Total	**1,852.54**	**3,841.94**

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

For terms and conditions with related parties, refer note 37.
* mainly includes tax deducted at source, provident fund etc.

19 Current provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (note 36)	-	25.07
Provision for leave encashment	81.27	88.35
	81.27	**113.42**
Other provisions		
Provision for onerous contracts (net)	-	172.32
Provision for warranties	39.52	30.35
	39.52	**202.67**
Total	**120.79**	**316.09**

Movement in provisions for warranties

	March 31, 2024	March 31, 2023
At the beginning of the year	30.35	55.54
Additional provisions recognised	10.77	28.75
Provisions (utilized)/(reversed) during the year	(1.60)	(53.94)
At the end of the year	**39.52**	**30.35**

Provision for warranties

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 upto 2 years. If warranty claim costs vary by 10% from management's estimate, the warranty provisions would be an estimated Rs. 3.95 higher or lower (March 31, 2023 Rs. 3.04).

Movement in provisions for onerous contracts

	March 31, 2024	March 31, 2023
At the beginning of the year	172.32	147.53
Additional provisions recognised	5.38	113.67
Provisions (utilized)/(reversed) during the year	(177.70)	(88.88)
At the end of the year	**-**	**172.32**

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 currently estimated economic benefits. The timing of cash outflows in respect of such provision is estimated to be over the contract period.

20 Revenue from operations

(a) Revenue from contracts with customers:

	As at March 31, 2024	As at March 31, 2023
Revenue from services	10,645.74	13,826.05
Revenue from projects and products	1,255.49	2,513.82
Total revenue from contracts with customers	**11,901.23**	**16,339.87**

(b) Other operating income

	As at March 31, 2024	As at March 31, 2023
Sale of scrap	144.02	119.72
Exchange fluctuation gain (net)	5.67	34.55
	149.69	**154.27**
Total revenue from operations	**12,050.92**	**16,494.14**

(c) Disclosure pursuant to Ind AS 115: Revenue from contracts with customers

i) Revenue by category of contracts:

	March 31, 2024	March 31, 2023
Over a period of time basis	8,728.21	11,624.42
At a point-in-time basis	3,173.02	4,715.45
Total revenue from contracts with customer	**11,901.23**	**16,339.87**

Revenue by geographical market

	March 31, 2024	March 31, 2023
Within India	7,314.20	11,487.99
Outside India	4,587.03	4,851.88
Total revenue from contracts with customer	**11,901.23**	**16,339.87**

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 5 (a) and 5 (b))	2,845.72	5,721.40
Unbilled revenue (Contract asset) (note 12 (b))	1,112.55	733.88
Unearned revenue (Contract liability) (note 18)	654.12	1,476.72
Customer advances (Contract liability) (note 18)	998.71	2,137.37

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date on from projects and customised contracts. The Contract assets are transferred to Trade receivables when the rights become unconditional.

The Contract liabilities relate to the unearned revenue (excess of billings or invoicing over revenue) and advance consideration received from customers and performance obligations still 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 position.

The following table summarises the change in impairment allowance measured using life time expected credit loss model

Particulars	Provisions on Trade Receivables		Provisions on unbilled revenue (refer note no 12(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	1,283.78	1,382.89	86.75	80.70
Provisions made during the year	322.50	192.42	-	17.54
Utilized/ reversed during the year	(385.16)	(291.53)	-	(11.49)
At the end of the year	**1,221.12**	**1,283.78**	**86.75**	**86.75**

Notes to financial statements for the year ended March 31, 2024

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

iii) Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year:

	March 31, 2024	March 31, 2023
Unearned revenue	1,411.08	1,470.65
Customer advance	1,528.25	1,514.26

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 reporting period is presented in the table below

	March 31, 2024	March 31, 2023
Opening unbilled revenue (note 12 (b))	**733.88**	**1,460.14**
Opening unearned revenue (note 18)	**1,476.72**	**1,521.63**
- Transfer of contract assets to receivable from opening unbilled revenue	671.69	1,244.95
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	1,411.08	1,470.65
- Transfer of contract assets to receivable	6,166.17	11,075.60
- Increase in revenue as a result of changes in the measure of progress	6,740.82	10,122.95
- Onerous loss during the period	172.33	(51.65)
- Others*	(59.56)	6.05
Closing unbilled revenue (note 12 (b))	**1,112.55**	**733.88**
Closing unearned revenue (note 18)	**654.12**	**1,476.72**

* includes adjustments on account of onerous contracts, impairment allowance for the year etc

v) Performance obligations

Performance obligation in project or a group of projects which are contracted at or near same time 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 as single performance obligation which is spread over different accounting periods.

Performance obligation for products are evaluated on standalone basis, recognised at 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.

	March 31, 2024	March 31, 2023
Amount of revenue yet to be recognised for contracts in progress	3,012.08	9,173.38

The Company expects that a significant portion of the remaining performance obligation will be met in next 12-24 months.

The Company 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.

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.

21 Other income

	March 31, 2024	March 31, 2023
Interest income from financial assets at amortized cost	72.71	42.39
Other interest income	22.91	38.05
Profit on sale of property plant and equipment	0.03	1.68
Fair value gain on mutual funds at fair value through profit or loss	96.37	37.89
Rent income (note 34)	65.50	65.62
Liabilities no longer required written back	232.06	257.38
Miscellaneous income	0.25	-
Total	**489.83**	**443.01**

22 (a) Projects bought outs and components consumed

	March 31, 2024	March 31, 2023
Inventories at the beginning of the year	124.94	-
Projects bought outs and Components	597.30	1,941.33
	722.24	1,941.33
Inventories at the end of the year	-	(124.94)
Total	**722.24**	**1,816.39**

22 (b) Purchase of traded goods

	March 31, 2024	March 31, 2023
Purchase of traded goods	-	13.68
Total	**-**	**13.68**

22 (c) (Increase) / decrease in inventories

	March 31, 2024	March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	-	-
Finished goods	-	244.71
	-	**244.71**
Less: inventories at the end of the year		
Work-in-progress	-	-
Finished goods	-	-
	-	-
Total	**-**	**244.71**

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

23 Employee benefits expense

	March 31, 2024	March 31, 2023
Salaries and wages	2,653.19	2,887.64
Contribution to provident and other funds	125.93	127.63
Gratuity expense (note 36)	21.48	23.41
Staff welfare expenses	49.54	35.64
Total	**2,850.14**	**3,074.32**

24 Finance costs

	March 31, 2024	March 31, 2023
Interest expense	14.55	11.37
Total	**14.55**	**11.37**

25 Depreciation and amortisation expense

	March 31, 2024	March 31, 2023
Depreciation on property, plant and equipment (note 4 (a))	19.97	22.94
Amortisation on other intangible assets (note 4 (b))	2.30	10.46
Total	**22.27**	**33.40**

26 Other expenses

	March 31, 2024	March 31, 2023
Consumption of stores and spare parts	73.90	48.56
Power and fuel	4.93	6.51
Freight and forwarding charges	40.83	137.17
Site expenses and contract labour charges	6,091.72	8,862.37
Drawing, design and technical service charges	1.17	0.65
Advertisement and sales promotion	5.39	7.75
Rent (note 34)	96.25	86.81
Rates and taxes	106.68	76.62
Insurance	4.11	32.87
Repairs and maintenance		
Plant and machinery	5.85	1.03
- Others	3.78	7.24
Travelling and conveyance	200.58	304.42
Legal and professional fees (includes payment to auditors; note 27)	217.98	261.87
Director's sitting fees (note 37)	-	10.80
Bad debts/ advances written off	92.49	203.70
Provision for impairment of financial assets (net of reversals)	(62.66)	(93.06)
Warranty expenses (net)	9.17	(25.19)
Corporate Social Responsibility expenditure (note 28)	28.38	27.70
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	359.44	185.03
Total	**7,279.99**	**10,142.85**

27 Payment to auditors

	March 31, 2024	March 31, 2023
As auditor		
Audit fee	16.34	18.00
Services relating to branch audit	17.69	17.33
In other capacity		
Other services (Certification and reimbursement of expenses)	0.97	4.42
Total	**35.00**	**39.75**

28 Corporate Social Responsibility

	March 31, 2024	March 31, 2023
(a) Gross amount required to be spent by the Company during the year	28.38	27.67
(b) Amount spent during the year	28.38	27.70
(c) Shortfall/ (excess) at the end of the year	-	(0.03)
(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:	28.38	27.70

* The amount is contributed to Thermax Foundation, India (refer note 37) which is engaged in the education of economically underprivileged children by addressing social discrimination through affirmative action, skill development and employability initiatives.

There is no shortfall in contribution for March 31, 2024 and March 31, 2023.

29 Income taxes

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

Statement of profit and loss

	March 31, 2024	March 31, 2023
Current income tax		
Current income tax charge	530.99	595.19
Adjustments in respect of current income tax of previous years	47.55	43.91
Deferred tax		
Relating to origination and reversal of temporary differences	(77.77)	(112.40)
Income tax expense reported in the Statement of profit and loss	**500.77**	**526.70**

Other comprehensive income

	March 31, 2024	March 31, 2023
Deferred tax related to items recognized in Other comprehensive income during the period		
Re-measurement of defined benefit plans	3.79	(0.58)
Income tax charged to Other comprehensive income	**3.79**	**(0.58)**

Notes to financial statements for the year ended March 31, 2024

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

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023

	March 31, 2024	March 31, 2023
Accounting profit before tax	1,651.56	1,600.43
At India's statutory income tax rate of 25.17% (March 31, 2023: 25.17%)	415.70	402.83
Reconciliation items and tax impact of the same		
Effects of non-deductible business expenses	42.19	65.98
Deferred tax on unrealized profits of branches	(66.20)	(12.77)
Taxes paid on repatriation of branch profits	146.38	186.13
Others (majorly pertains to deferred tax generated by the branches)	(37.30)	(115.47)
Income tax expense reported in the Statement of profit or loss	**500.77**	**526.70**

30 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity (net of income tax) is shown below:

During the year ended March 31, 2024

	Foreign currency translation	Retained earnings	Total
Foreign currency translation differences	(29.46)	-	(29.46)
Re-measurement (losses)/gains on defined benefit plans	-	(11.31)	(11.31)
Total	**(29.46)**	**(11.31)**	**(40.77)**

During the year ended March 31, 2023

	Foreign currency translation	Retained earnings	Total
Foreign currency translation differences	9.54	-	**9.54**
Re-measurement gains/(losses) on defined benefit plans	-	4.33	**4.33**
Total	**9.54**	**4.33**	**13.87**

31 Earnings Per Share (EPS)

	March 31, 2024	March 31, 2023
Net profit attributable to the equity shareholders of the Company	1,150.79	1,073.73
Weighted average number of equity shares of Rs.10/- each (Nos.)	9,000,000	9,000,000
Basic and diluted EPS	12.79	11.93

32 Business Combination

Pursuant to the provisions of Companies Act (the ""Act""), a Scheme of Arrangement (""Scheme"") was filed for demerger of Air Cooled Condensor (ACC) business (""demerged undertaking"") of Thermax Cooling Solutions Limited (""Demerged Company"") into Thermax Instrumentation Limited (""Company""). The National Company Law Tribunal (NCLT), vide its order dated December 20, 2023, has approved a scheme between the Demerged Company and the Company. The appointed date as per the scheme is April 01, 2023.

Upon coming effect of the scheme, with effect from appointed date and subject to provisions of the scheme, the Demerged undertaking shall be transferred and vested to the Company. The Company and the Demerged Company, before and after merger are ultimately controlled by Thermax Limited (the ""Holding Company"") and the control is not transitory. Thus, this merger, as per Ind AS 103 is a Business Combination of entities under common control and governed by Appendix C of Ind AS 103. The consideration for the transfer is INR 1,700 lakhs by virtue of issue of 10% Redeemable Preference Shares of INR 100 each as per the share exchange ratio mentioned in the Scheme.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occured from the beginning of preceeding period, irrespective of actual date of combination.

Reconciliation of the Statement of Profit and Loss prepared as per Schedule III of the Act for the year ended March 31, 2023:

	Thermax Instrumentation Limited (before merger)	Transactions of, Thermax Cooling Solutions Limited	Thermax Instrumentation Limited (after merger)
Income			
Revenue from operations	14,049.85	2,444.29	16,494.14
Other income	384.67	58.34	443.01
Total Income (I)	**14,434.52**	**2,502.63**	**16,937.15**
Expenses			
Project bought-out and components	272.62	1,543.77	1,816.39
Purchase of traded goods	-	13.68	13.68
(Increase) / decrease in inventories	-	244.71	244.71
Employee benefits expense	2,857.32	217.00	3,074.32
Finance cost	6.61	4.76	11.37
Depreciation and amortisation expense	22.90	10.50	33.40
Other expenses	9,917.85	225.00	10,142.85
Total expenses (II)	**13,077.30**	**2,259.42**	**15,336.72**
Profit before tax (III = I - II)	**1,357.22**	**243.21**	**1,600.43**
Tax expense			
Current tax	584.22	10.97	595.19
Adjustment of tax relating to earlier periods	43.91	-	43.91
Deferred tax	(112.40)	-	(112.40)
Total tax expense (IV)	**515.73**	**10.97**	**526.70**
Profit for the year (V = III - IV)	**841.49**	**232.24**	**1,073.73**
Other comprehensive income			
A. Items that will be reclassified subsequently to profit or loss			
Net gain / (loss) on translation of foreign operations	9.54	-	9.54
Less: Income tax effect	-	-	-
	9.54	**-**	**9.54**
B. Items that will not be reclassified subsequently to profit or loss			
Re-measurement (loss)/ gain of defined benefit plan	2.30	2.61	4.91
Less: Income tax effect	(0.58)	-	(0.58)
	1.72	**2.61**	**4.33**
Net other comprehensive income for the year (net of tax) (VI)	**11.26**	**2.61**	**13.87**
Total comprehensive income for the year (VII = V + VI)	**852.75**	**234.85**	**1,087.60**

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

Details of net identifiable assets and liabilities acquired:

	As at April 01, 2022
Property, Plant and Equipment	1.68
Intangible assets	12.76
Income tax assets (net)	18.09
Trade Receivables - current	772.98
Inventories	244.71
Cash and cash equivalents	68.55
Bank balances other than Cash and cash equivalents	1,058.81
Other current financial assets	1.56
Other current assets	89.86
Retained earnings	338.02
Trade Payables - current	(605.86)
Other financial liabilities	(65.25)
Other current liabilities	(822.22)
Current provisions	(131.72)
Net assets acquired	**981.97**
Purchase consideration payable	**(1,700.00)**
Capital reserve as at March 31, 2023	**(718.03)**

33 Contingent liabilities

a) Taxes

	March 31, 2024	March 31, 2023
Disputed GST and or VAT balances / liabilities	384.41	47.70
Income tax matters	30.76	-

There are certain laws suits, disputes etc., including commercial matters that arises from time to time in the ordinary course of business for which amounts are not quantifiable by the management. However, based on management's assessment under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", that the claims against the Company are not tenable/ probability of final outcome against the Company is low and therefore not disclosed as Contingent liability.

b) The Company has issued various guarantees for performance, advances etc. The management has considered the probability for outflow of the same to be remote and accordingly no amounts has been disclosed here.

c) Others

	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debt*	262.19	-

* Includes a dispute arose between the company and its subcontractor, for alleged non-payment of an amount of Rs. 367. Whereby in August 2023, the MSMEFC Cuttack, Odisha (council) passed an order against the company ordering to pay to the subcontractor an amount of Rs. 345 (principal plus interest) , despite having no jurisdiction to entertain the claims of the subcontractor. Further, the award was passed by the council without following the due process under the Arbitration and Conciliation Act, 1996. The company has challenged the award before the Hon'ble High Court of Odisha by way a writ petition for setting aside the award and the Hon'ble Court passed an order granting a stay on the execution of the award through its order dated November 02, 2023. The writ petition is yet to be listed for next hearing and the company has also filed a section 34 petition under the Arbitration and Conciliation Act, 1996, before the Hon'ble commercial court, at Cuttack for setting aside the award which is next listed for June 19, 2024.

Pursuant to an independent legal opinion, the Company is of view that no provision is necessary. The Company is reasonably confident of the issue being ultimately decided in its favour.

34 Capital and other commitments

a) There are no estimated amounts of contracts remaining to be executed at the year end on capital account (March 31, 2023 : Rs. Nil).

b) Lease commitments

i) Company as lessee

The Company has taken building, guest house, equipment and residential flats for employees at branches on cancellable operating lease and had taken office buildings on a short term cancellable operating lease from the Holding company. The tenure of such leases ranges from 1 to 3 years. Lease rentals are charged to the Statement of profit and loss for the year. There are no sub-leases. The leases are renewable on mutually agreeable terms. At the expiry of the lease term, the company has an option to terminate the agreement or extend the term by giving notice in writing. Since the contract is a cancellable contract, the entity has elected to apply the exemption available to short term leases under Ind AS 116 and has recognised the lease payments associated with those leases as an expense.

	March 31, 2024	March 31, 2023
Lease payments for the year (Note 26)	96.25	86.81

ii) Company as lessor : Operating lease

The Company has leased certain parts of its surplus office and manufacturing buildings. The tenure of such lease agreements ranges from 1 to 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Lease rentals are recognised in the statement of profit and loss for the year. Refer note 21.

	March 31, 2024	March 31, 2023
Lease rent received for the year (Note 21)	65.50	65.62

Since there are no non-cancellable operating leases entered by the Company, there are no future lease rental payables and receivables (March 31, 2023: Rs. Nil payable and March 31, 2023:Rs. Nil receivable)

35 Segment reporting

Based on the guiding principles in "Ind AS 108- Operating Segments", the Company's business activity falls within one operating segment, i.e. Industrial infra, and therefore no separate segment information is disclosed.

Information of geographical areas-

Sales revenue by geographical markets

	March 31, 2024	March 31, 2023
Within India	7,314.20	11,487.99
Outside India	4,587.03	4,851.88
Total	**11,901.23**	**16,339.87**

Revenue of Rs. 4657.48 (March 31, 2023 : Rs. 7370.92) are derived from a single customer and the Holding company of the Company.

Non current assets by geographical segments*

	March 31, 2024	March 31, 2023
Within India	2,935.48	3,275.28
Outside India	0.67	0.65
Total	**2,936.15**	**3,275.93**

*Non current assets includes all non-current assets other than financial instruments and deferred tax assets.

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

36 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 the rate of 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.

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.

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 01, 2022 (Restated)	**199.05**	**208.89**	**(9.84)**
Current service cost	26.69	-	26.69
Interest expense / income	12.14	13.55	(1.41)
Transfer in/(out)	(1.87)	-	(1.87)
Total amount recognised in the statement of profit and loss	**36.96**	**13.55**	**23.41**
Experience adjustments	14.80	-	14.80
Actuarial (gain)/loss from change in financial assumptions	(5.28)	0.80	(6.08)
Return on plan assets	-	13.63	(13.63)
Total amount recognised in other comprehensive income	**9.52**	**14.43**	**(4.91)**
Employer contributions	(22.82)	24.16	(46.98)
Moratlity charges	-	(1.04)	1.04
Transfer out	(30.01)	-	(30.01)
Benefits paid	(15.42)	(37.68)	22.26
March 31, 2023	**177.28**	**222.31**	**(45.03)**
Current service cost	25.70	-	25.70
Interest expense / income	11.80	16.02	(4.22)
Total amount recognised in the statement of profit and loss	**37.50**	**16.02**	**21.48**
Experience adjustments	14.18	-	14.18
Actuarial (gain)/loss from change in financial assumptions	2.46	1.17	1.29
Return on plan assets	-	0.37	(0.37)
Total amount recognised in other comprehensive income	**16.64**	**1.54**	**15.10**
Employer contributions	(15.51)	28.03	(43.54)
Transfer out	(9.55)	(39.56)	30.01
Benefits paid	(4.67)	(20.18)	15.51
March 31, 2024	**201.69**	**208.16**	**(6.47)**

II The net liability disclosed above relates to funded plans are as follows :

	March 31, 2024	March 31, 2023
Present value of funded obligation	201.69	177.28
Fair value of plan assets*	208.16	222.31
Deficit/(Surplus) of funded plan (refer note 19 and 7 (b))	**(6.47)**	**(45.03)**

* The Company is in process of transfering of the LIC fund of Rs. 10.89 related to demerged unit transferred as a part of business combination.

III Significant estimates

The significant actuarial assumptions were as follows :

	March 31, 2024	March 31, 2023
Discount rate	7.00%	7.15%
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	12.00%	12.00%

IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	March 31, 2024	March 31, 2024
Discount rate		
1.00% increase	decrease by Rs. 9.93	decrease by Rs. 8.70
1.00% decrease	increase by Rs. 10.91	increase by Rs. 9.56
Future salary increase		
1.00% increase	increase by Rs. 9.85	increase by Rs. 8.66
1.00% decrease	decrease by Rs. 9.13	decrease by Rs. 8.04
Attrition Rate		
1.00% increase	decrease by Rs. 0.71	decrease by Rs. 0.61
1.00% decrease	increase by Rs. 0.75	increase by Rs. 0.63

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 prior period.

The following are the expected cash flows to the defined benefit plan in future years:

	March 31, 2024	March 31, 2023
Within next 12 months	23.52	20.31
Between 2-5 years	113.76	97.06
> 5 years	116.78	106.86

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.28 years (March 31, 2023: 7 years)

The Company expects to contribute Rs. Nil (March 31, 2023: Rs. Nil) to the gratuity fund in the next year.

V The major categories of plan assets are as follows:

	March 31, 2024	March 31, 2023
Investments with Insurer (LIC of India)	100.00%	100.00%

Notes to financial statements for the year ended March 31, 2024

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

37. Related party disclosures

A Holding Company and Utimate Holding Companies

No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest		Type
			March 31, 2024	March 31, 2023	
1	RDA Holdings Private Limited	India	0%	0%	Ultimate holding company
2	Thermax Limited	India	100%	100%	Holding company

B Fellow Subsidiaries with whom transactions have taken place during the year :

No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Babcock and Wilcox Energy Solutions Private Limited	India
2	Thermax Onsite Energy Solutions Limited	India
3	"Thermax Bioenergy Solutions Pvt Ltd (w.e.f. August 12, 2022)"	India
4	Thermax Cooling Solutions Limited	India

C Entities controlled by Holding company other than 'B' above with whom transactions have taken place during the year :

No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax International Tanzania Limited	Tanzania

D. Key management Personnel:

1 Mr. Madan Lal Bindra - Chief Executive Officer (till July 27, 2022)
2 Mr. Harish Tikotkar - Chief Financial Officer (till October 08, 2022)
3 Mr. Sudhir Lale - Company Secretary
4 Mr. Ajay Joshi - Independent Director (till March 31, 2023)
5 Mr. Ashok Joshi - Independent Director (till March 31, 2023)
6 Mr. Rajendran Arunachalam - Director
7 Mr. B. C. Mahesh - Director (till July 27, 2022)
8 Mr. Ravinder Advani - Director
9 Mr. Kirtiraj Jilkar - Director (w.e.f. July 27, 2022)
10 Mr. Ramachandra Bharathi - Manager (w.e.f. July 27, 2022)

E Individuals having control or significant influence over the Company by reason of voting power, and their relatives:

1 Mrs. Meher Pudumjee - Chairperson of Holding Company
2 Mrs. Anu Aga - Relative of Chairperson of Holding Company
3 Mr. Pheroz Pudumjee - Director of Holding Company
4 Mr. Zahaan Pudumjee - Relative of Chairperson of Holding Company
5 Ms. Lea Pudumjee - Relative of Chairperson of Holding Company

F Enterprise, over which control is exercised by individuals listed in 'E' above:

	Name of the entity	Place of business/ Country of incorporation
1	Thermax Foundation	India

Transactions during the year

	Holding Company - Thermax Limited		Entities controlled by Holding company		Key Management Personnel and Individuals mentioned in E		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sales of services	3,141.61	5,739.51	-	-	-	-	**3,141.61**	**5,739.51**
Sale of products & projects	141.42	1,114.93	-	-	-	-	**141.42**	**1,114.93**
Rent income	62.50	62.50	-	-	-	-	**62.50**	**62.50**
Sale of scrap	44.53	-	-	-	-	-	**44.53**	**-**
Recovery of expenses	517.47	182.09	1.59	-	-	-	**519.06**	**182.09**
Credit balance appropriated	38.73	-	-	-	-	-	**38.73**	**-**
Purchase of project bought-out and components	9.50	-	25.80	35.74	-	-	**35.30**	**35.74**
Issue of redeeemable preference shares	1,700.00	-	-	-	-	-	**1,700.00**	**-**
Reimbursement of expenses	215.56	347.78	-	-	-	-	**215.56**	**347.78**
Remuneration to key management personnel	30.51	48.32	-	-	-	10.80	**30.51**	**59.12**
Donation	-	-	28.38	27.70	-	-	**28.38**	**27.70**
Commission paid on corporate guarantee received	-	0.06	-	-	-	-	**-**	**0.06**
Other expenses	141.86	-	-	-	-	-	**141.86**	**-**
Dividend Expenses	450.00	-	-	-	-	-	**450.00**	**-**
Rent paid	60.50	64.29	-	-	-	-	**60.50**	**64.29**

Notes to financial statements for the year ended March 31, 2024

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

Related party transactions include transactions pertaining to the following parties other than Holding Company 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 above):

Particulars	March 31, 2024	March 31, 2023
Purchase of project bought-out and components		
Thermax Babcock and Wilcox Energy Solutions Private Limited	25.80	35.74
Donation		
Thermax Foundation	28.38	27.70
Remuneration to key management personnel		
(a) Salary/ Retainership fees reimbursed to Thermax Limited #		
Mr. Madan Lal Bindra	-	4.00
Mr. Harish Tikotkar	-	17.63
Mr. Sudhir Lale	30.51	26.69
(b) Director sitting fees paid to independent directors		
Mr. Ajay Joshi	-	5.40
Mr. Ashok Joshi	-	5.40

This does not include provision made for gratuity and leave encashment since the same is calculated for all employees of the Company as a whole.

Terms and conditions of related party transactions

The sales and purchases to/ from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

For the year ended March 31, 2024 and March 31, 2023, the Company has recorded an impairment of receivables relating to amounts owed by related parties as per the policy.

Balances as at the year end

Particulars	Holding Company - Thermax Limited		Entities controlled by Holding company		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Trade receivables	1,182.74	3,086.60	122.87	112.27	**1,305.61**	**3,198.87**
Other receivable	16.94	-	13.69	-	**30.63**	**-**
Borrowings (10% Redeemable preference shares)	1,700.00	-	-	-	**1,700.00**	**-**
Trade payables	39.21	219.03	17.64	65.77	**56.85**	**284.80**
Other payables	65.26	118.87	-	3.98	**65.26**	**122.85**
Revenue received in advance	894.05	1,670.62	3.36	3.36	**897.41**	**1,673.98**
Unbilled Revenue	965.48	419.56	-	-	**965.48**	**419.56**
Unearned Revenue	175.09	863.58	9.58	-	**184.67**	**863.58**
Guarantee/ letter of comfort received	8,000.00	8,000.00	-	-	**8,000.00**	**8,000.00**

Balances pertaining to the following parties other than Holding Company with whom the balances are considered to be individually significant (percentage of the balances being 10% or more of the total of balances given in note above):

Particulars	As at March 31, 2024	As at March 31, 2023
Other receivable		
Thermax Cooling Solutions Limited	12.40	-
Trade payables		
Thermax Babcock and Wilcox Energy Solutions Private Limited	17.64	61.79

There are no outstanding balances in respect of entities controlled by key management personnel and individuals mentioned in E.

Terms and conditions for outstanding balances

All outstanding balances are unsecured, interest free and repayable in cash except the guarantee/letter of comfort received.

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

38 Fair value measurements

a) Category of financial instruments and valuation techniques

Break-up of financial assets carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Trade receivables	2,845.72	5,721.40
Cash and cash equivalents	453.02	864.68
Bank balances other than cash and cash equivalents	1,371.13	1,317.26
Loans	0.93	2.32
Other financial assets	1,170.76	818.47
Total	**5,841.56**	**8,724.13**
Current assets	5,840.42	8,435.73
Non-current assets	1.14	288.40
Total	**5,841.56**	**8,724.13**

The management has assessed that the carrying amounts of the above financial instruments appoximate their fair values.

Break-up of financial assets carried at fair value through profit or loss

	As at March 31, 2024	As at March 31, 2023
Investments	1,223.00	1,081.66
Total	**1,223.00**	**1,081.66**
Current assets	1,223.00	1,081.66
Non-current assets	-	-
Total	**1,223.00**	**1,081.66**

The fair values of the mutual funds are based on price quotations at the reporting date.

Break up of financial liabilities carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Trade payable	2,697.69	4,403.76
Other liabilities	354.79	2,110.11
Total	**3,052.48**	**6,513.87**
Current liabilities	2,685.05	6,325.34
Non current liabilities	367.43	188.53
Total	**3,052.48**	**6,513.87**

The management has assessed that the carrying amounts of the above financial instruments appoximate their fair values.

Break-up of financial liabilities carried at fair value through profit and loss

	As at March 31, 2024	As at March 31, 2023
Borrowings (10% redeemable preference shares)	1,700.00	-
Other liabilities	-	0.92
Total	**1,700.00**	**0.92**
Current liabilities	-	0.92
Non current liabilities	1,700.00	-
Total	**1,700.00**	**0.92**

The fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own nonperformance risk as at March 31, 2024 and all comparative periods presented were assessed to be insignificant.

Details of derivative liabilities

	As at March 31, 2024	As at March 31, 2023
Derivative instruments		
Derivative not designated as hedges		
Foreign exchange forward contracts	-	0.92
Total	**-**	**0.92**
Current liabilities	-	0.92
Non-current liabilities	-	-
Total	**-**	**0.92**

The Company 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 Company has a practice to settle all derivative contracts on or before its maturity using the sanctioned finance limits with banks, thereby eliminating both counterparty and the Company's own non-performance risk.

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				
Mutual funds	March 31, 2024	1,223.00	-	-
Financial liabilities				
Borrowings	March 31, 2024	-	-	1,700.00

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				
Mutual funds	March 31, 2023	1,081.66	-	-
Financial liabilities				
Borrowings	March 31, 2023	-	-	-

There has been no transfer between level 1 and level 2 during the year.

39 Financial risk management

The Company's principal financial liabilities 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's borrowings and investments are designated as financial liabilities and assets through profit or loss respectively.

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

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

objectives and policies during the years ended March 31, 2024 and March 31, 2023.

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. Other than cash credit facility, the Company does not have any borrowings and hence there is no significant exposure to the risk of changes in market interest rates.

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 currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's foreign operations through its branches at Philippines, Zambia and Sharjah.

The following table demonstrates the sensitivity to a reasonably possible change in USD 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 assets and liabilities. The impact is stated in Rupees (denominated in Lakh) below:

	As at March 31, 2024	As at March 31, 2023
Decrease in US$ rate by 5%	(49.51)	(59.10)
Increase in US$ rate by 5%	49.51	59.10
Decrease in CNY rate by 5%	2.38	2.46
Increase in CNY rate by 5%	(2.38)	(2.46)

The exposure to other foreign currencies is not significant to the Company's financial statements as all the undistributed profits at the overseas branches are mainatined and/ or repatriated to India in US$.

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 from its financing activities, including deposits with banks and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. 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 and mutual funds is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties 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.

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, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. 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 :

	Less than 1 year	1 to 3 years	More than 3 years	Total
As at March 31, 2024				
Borrowings	-	-	1,700.00	1,700.00
Trade payables	2,330.26	367.43	-	2,697.69
Other financial liabilities :				-
Employee related payables	226.35	-	-	226.35
Customer deposits	62.42	-	-	62.42
Other payables	66.02	-	-	66.02
	2,685.05	**367.43**	**1,700.00**	**4,752.48**
As at March 31, 2023				
Trade payables	4,215.23	188.53	-	4,403.76
Other financial liabilities :				
Foreign exchange forward contracts	0.92	-	-	0.92
Employee related payables	224.95	-	-	224.95
Customer deposits	61.50	-	-	61.50
Payable due to business combination	1,700.00	-		1,700.00
Other payables	123.66	-	-	123.66
	6,326.26	**188.53**	**-**	**6,514.79**

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

40 Key Financial Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Management response
Current ratio	Current assets	Current liabilities	1.79	1.06	69.19%	Refer 40(a)
Return on equity ratio	Profit after tax	Average shareholder's equity	0.24	0.23	6.73%	
Debtors turnover ratio	Revenue from contracts with customers	Average trade receivables	2.78	2.81	-1.25%	
Trade payables turnover ratio	Total supplier purchases#	Average trade payables	2.25	2.41	-6.67%	
Net capital turnover ratio	Revenue from contracts with customers	Working capital *	3.24	27.04	-88.03%	Refer 40(b)
Net profit ratio	Profit after tax	Revenue from contracts with customers	0.10	0.07	47.15%	Refer 40(c)
Return on capital employed (ROCE)	Profit before tax and finance cost	Capital employed **	0.25	0.36	-31.36%	Refer 40(d)
Return on investment (ROI)	Income generated from invested fund	Average invested fund	0.07	0.04	70.11%	Refer 40(e)
Debt-equity ratio	Total debt	Shareholder's equity	0.34	0.00	100.00%	Refer 40(f)
Inventory turnover ratio	Cost of goods sold	Average inventories	11.56	11.23	2.99%	
Debt service coverage ratio	Earnings available for debt service	Debt service	NA	NA		

Explanations:

* Total current assets - Total current liabilities.

** Total equity + Non-current borrowings + Deferred tax liability.

Total supplier purchases include project bought-outs, other expenses and staff welfare expenses.

40 (a) - Change due to reduction in other liabilities payable for purchase consideration which is paid by issue of 10% redeemable prefernce share.

40 (b) - Change due to reduction in turnover because of decrease in EPC business and increase in net working capital (assets) due to issue of 10% redeemable preference share against payable due to business combination.

40 (c) - Increase in profit due to recovery of cost overruns and savings in closed projects.

40 (d) - Capital employed increased due to issue of 10% redeemable preference shares for purchase consideration.

40 (e) - Change due to increase in income from investment as well as average investments.

40 (f) - Debt arise due to issue of 10% redeemable preference shares for purchase consideration.

41 Capital Management

The Company's objective for capital management is to maximise 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 Parent Company and is measured at Rs 5,024.64 (March 31, 2023: Rs. 4,376.22).

Particulars	March 31, 2024	March 31, 2023
Borrowings	1,700.00	-
Less: Cash and cash equivalents (includes deposites with original maturity of more than 3 months but less than 12 months)	(1,824.15)	(2,181.94)
Net (surplus)/ debt	(124.15)	(2,181.94)
Equity	5,024.64	4,376.22
Capital and net debt	**4,900.49**	**2,194.28**
Capital gearing ratio	**NA**	**NA**

42 Struck off companies

Below are details of investment, receivable, payable and any other transactions outstanding with stuck off companies for the period ended March 31, 2024:

Name of stuck off company	Nature of other outstanding balances	Transaction during the year	Balance outstanding at the end of the year	Relationship with the struck off Company, if any, to be disclosed
Optima Erectors Pvt. Ltd.	Trade payables	9.79	-	None

Below are details of investment, receivable, payable and any other transactions outstanding with stuck off companies for the period ended March 31, 2023:

Name of stuck off company	Nature of other outstanding balances	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	Trade Receivables	0.10	0.08	None

43 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period,

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) (A) The Company has not advanced or loaned or invested funds to any other person or entity, 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.

(B) The Company has 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,

(v) 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)

(vi) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

44 Compliance with section 143(3) for maintenance of books of account

(a) 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 backup of such books of account.

The status of compliance for each of its locations and for all the IT applications are summarised in the below table:

Requirements u/s 143(3) of Companies Act, 2013	Foreign Branches	India operations	India operations - Employee reimbursement system
Books of Account maintained on cloud/ servers physically located in India	No	Yes	No
Backup maintained in India on daily basis	No	Yes	No

The Company will take appropriate measures to comply with regulations.

(b) The Company 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 the following:

- Accounting softwares used at three foreign branches do not have an audit trail (edit log) facility and the same did not operate throughout the year for all relevant transactions recorded in the softwares;
- Audit trail feature for changes to master data in Oracle application is not enabled apart from vendor master;
- Audit trail feature for changes to the Oracle Database 19c made using privileged/ administrative access rights.

Further no instances of audit trail feature being tampered with were noted in respect of accounting softwares.

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No.324982E/E300003

per Sumit Kumar Agrawal
Partner
Membership No. 135859

Place: Pune
Date: May 08, 2024

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

Kirtiraj Jilkar
Director
DIN: 09675574

Rajendran Arunachalam
Director
DIN: 08446343

Ramachandra Bharathi
Manager

Sudhir Lale
Company Secretary

Place: Pune
Date: May 08, 2024

Thermax Onsite Energy Solutions Limited

Board of Directors
Ashish Bhandari
Hemant Mohgaonkar
Rajendran Arunachalam
Indu Jacob (Appointed w.e.f. Sep 30, 2023)

Registered Office
Thermax House, 14, Mumbai-Pune Road,
Wakdewadi, Pune - 411003

Auditors
SRBC & Co. LLP
Chartered Accountants
C-401, Panchshil Tech Park, Yerwada, Pune-411006, India

Key Managerial Personnel
Deepak Joshi (Chief Financial Officer)
Khushboo Bhatia (Chief Executive Officer)
Kajal Kabra (Company Secretary)

Bankers
HSBC Bank
ICICI Bank

Corporate Office
Eco House, Plot No D-13 R.D. Aga Road,
MIDC Sec 2 Industrial Area,
MIDC Chinchwad, Pune – 411019

DIRECTORS' REPORT

Dear Shareholder,

The Directors have the pleasure of presenting the Fifteenth Annual Report of the Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total income	**45,753.38**	34,856.28
Profit before depreciation and interest	**4,472.29**	2,688.54
Depreciation	**50.33**	72.34
Interest	**923.08**	517.81
Profit before tax	**3,498.88**	2,098.39
Provision for taxation (incl. deferred tax)	**905.12**	499.46
Profit after tax	**2,593.76**	1,598.93

STATE OF COMPANY'S AFFAIRS

During the year, the company earned a total income of Rs 45,753.38 lakh (previous year Rs. 34,856.28 lakh). Profit before tax stood at Rs. 3,498.88 lakh (previous year Rs. 2,098.39 lakh) and profit after tax was Rs. 2,593.76 lakh (previous year Rs. 1598.93 lakh).

Company registered revenue of Rs. 45,516.25 lakh as increase of 31% over last year. The company continued its growth trajectory and however registered a 56% decline in orders. Order balance increased by Rs. 6,643 lakh at Rs. 59,648 lakh. Through the orders won for the fiscal year 2023-24, the company added new accounts to its customer base.

During the Financial Year 2023-24, the company successfully executed a large biomass boiler plant for biopharma major in Karnataka under the Build-Own-Operate model. Under this model, the company commissioned green steam supply projects for repeat customers – one for Agrochemical major in Gujarat, one for a multinational confectionery company in Tamil Nadu and one for a Specialty Chemicals company in Maharashtra. The company also commissioned biomass boiler plants for steam supply to Chemical major in Gujarat and a Pharma major in Madhya Pradesh.

With more reputed companies choosing to practice sustainability and focusing on achieving their net-zero goals, it is expected to create opportunities for supply of biomass-based energy, treated water as well as zero liquid discharge and desalination projects. The company, in line with its globalization strategy continued concentrated efforts in offering outsourced utilities in the South East Asia and South Asia market.

HEALTH AND SAFETY

The company has ensured focused and continuous improvement on its Safety, Health & Environment during FY 2024. The company successfully completed external surveillance audit of ISO 45001:2018 for Safety and ISO 14001:2015 for Environment Management System through DNV during last year and conducted cross audit (2nd party audit) at sites. The company conducted ISO45001 & ISO14001 standards certified internal auditor training by external faculty for employees and conducted certified first aid & fighter training by external faculty for site teams. The company implemented new standards like permit to work, incident investigation, life-saving rules & fair consequence management procedures. The company continued with Behavior Based Safety (BBS) for improving the safety culture across sites, along with operation safety campaigns such as near miss reporting, monsoon safety, Lock-Out-Tag-Out (LOTO), etc. to enhance awareness towards safety.

The company has implemented new initiatives to improve safety metrics across its sites including automation of manual activities. Celebrations were conducted across sites for World Environment Day, 53rd National Safety Week and Road Safety Week. The company received appreciation for promoting safety culture and providing services with zero accidents from four of the newly commissioned sites.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the company.

DIVIDEND

The directors do not recommend any dividend on equity shares during year.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The company does not propose to carry any amount to reserves.

SHARE CAPITAL

During the year there were changes in the capital structure of the Company. The Paid-up Share Capital of the Company as on March 31, 2024, is Rs. 1,08,28,00,000 divided into Equity Shares of Rs. 10,82,80,000 of Rs.10 each.During the year under review, the Company has made the further issue of shares to the existing shareholders on a rights basis. Details of the further issue of shares are as follows:

Date of Issue	Number of Shares	Nominal value per share (Rs.)	Amount paid up (Rs.)
May 9, 2023	3,60,00,000	10	36,00,00,000

The company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company has wholly owned subsidiary named Enernxt Private Limited. During the year, the company has purchased equity shares of Thermax Energy & Environment Lanka Private Limited (TEELK) from Thermax Engineering Singapore PTE Limited as per the share purchase agreement dated July 7, 2023. As a result, TEELK became the wholly owned subsidiary with effect from September 6, 2023.

The annual accounts of the subsidiary company and related detailed information are available to the shareholders of the holding and subsidiary company as well as to the statutory authorities. On request, these documents will be made available for inspection at the Company's corporate office.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES

Enernxt India Private Limited is under construction phase and commissioning of the plant is planned in Jul-24. The company will start commercial production of Bio CNG Gas from Sep-24 after the trial run. Plant commissioning has been delayed due to technical hurdles, and our technology partner is actively addressing these challenges.

TEELK has one order of supply of steam in Sri Lanka and plant construction is in progress. The plant is expected to get commissioned in Jun-24.

PUBLIC DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements. During the year, the Company did not give any loans.

VIGIL MECHANISM /WHISTLE BLOWER POLICY

The Company has a vigil mechanism named 'Whistleblower Policy' to deal with instances of fraud and mismanagement. The Board of the Company looks after the whistle blower mechanism and thus direct access to the Chairman of the Board in exceptional or appropriate cases would be provided in the said mechanism.

BUSINESS RISK MANAGEMENT

The company is engaged in the business of providing environment friendly utilities (steam, heat, water, chilled water and others) to its customers. Risk is affected by macro-economic factors like interest rates, crude oil prices, forex currency fluctuations, electricity and other energy prices and their availability. It is also susceptible directly and indirectly to govt. policies related to renewable energy and conservation of natural resources. Global trends which affect customer's industries also tend to have a cascading effect on the company's business.

The company follows a structured risk management process supported by a Risk Management framework to manage risks emanating from external factors and internal actions. Risk Management is ingrained in the operations of the various functions of the company. During the year the company conducted company-wide risk management reviews at regular intervals to ensure compliance to its Risk Management framework and to identify areas for improving the same.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As a part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects mainly in the area of eradicating poverty. The projects are in accordance with Schedule VII of the Companies Act, 2013. The CSR initiatives have been undertaken through Thermax Foundation. The detailed report on CSR is annexed as Annexure 1.

KEY MANAGERIAL PERSONNEL (KMP)

There is no change in Key Managerial Personnel during the year.

DIRECTORS

During the year, Ms. Indu Jacob (DIN: 05293084) was appointed as Additional Director of the Company w.e.f. September 30, 2023. Further, Shareholders of the company has approved her appointment as a Director at their Extraordinary general meeting held on March 14, 2024.

In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, Mr. Rajendran Arunachalam, Director (DIN: 08446343), Director retires by rotation and being eligible, offers himself for re-appointment.

BOARD MEETINGS

The Board met four times on May 9, 2023, July 25, 2023, October 27, 2023 and January 31, 2024 during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Details of meetings attended by the members are as follows:

Board members	Number of meetings attended
Mr. Rajendran Arunachalam	4
Mr. Hemant Mohgaonkar	4
Mr. Ashish Bhandari	2
Ms. Indu Jacob*	2

* Appointed with effect from Sep 30, 2023

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis; and

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL STANDARDS

The Company follows the Secretarial Standards issued by the Institute of Company Secretaries of India on the Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2). The Company is in compliance with these secretarial standards.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its performance and of its individual Directors.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the Financial Statements.

CONSERVATION OF ENERGY

The company is in the business of providing utilities generated through renewable energy sources to its clients. This activity directly helps its clients to reduce their Carbon Footprint.

TECHNOLOGICAL ABSORPTION

There was no technology acquisition and absorption during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to foreign exchange earnings and outgo, under Section 134(3)(m) of the Companies Act, 2013 is as follows:

	(Rs. in lakh)
Foreign exchange earnings	NIL
Foreign exchange outgo	2,996.74

PARTICULARS OF EMPLOYEES

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company is committed to provide a safe and conducive work environment to its employees. The Company has constituted Prevention of Sexual Harassment (POSH) Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no cases pending at the beginning of the year/ filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

STATUTORY AUDITORS

SRBC & CO. LLP Chartered Accountants (Firm Registration No.324982E/ E300003) have been appointed as Statutory Auditors of the Company for a period of Five years commencing from the conclusion 10th Annual General Meeting (AGM) until the conclusion of the 15th Annual General Meeting.

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) Amendment 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.

COST RECORDS

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.

SECRETARIAL AUDITORS

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. Amit Jaste & Associates, Company Secretaries, Mumbai, to undertake the secretarial audit of the Company for FY 2023-24.

The Secretarial Audit Report for FY 2023-24 is attached as Annexure 2. The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

DETAILS REGARDING FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

RESTRICTION ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES

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 exceeding the limit mentioned therein, to persons in the employment of the Company its Directors or Key Managerial Personnel, for purchase or subscribe shares 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. During the year under review there is no instance of onetime settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the support extended by the company's customers, vendors and bankers during the year and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors of
Thermax Onsite Energy Solutions Limited

	Rajendran A.	**Hemant Mohgaonkar**
Place: Pune,	Director	Director
Date: May 02, 2024	DIN: 08446343	DIN: 01308831

ANNEXURE 1

ANNUAL REPORT ON CSR ACTIVITIES AND CSR POLICY

CSR REPORT FOR THE FINANCIAL YEAR 2023-24

1. **Brief outline on CSR Policy of the Company**

Thermax Onsite Energy Solutions Limited is a wholly owned subsidiary of Thermax Limited, an engineering company operating in the critical areas of energy & environment, is committed to contribute to the welfare of the community in which it is situated. Being a wholly owned subsidiary of Thermax Limited, it has been decided that the CSR policy of the company will be aligned with the CSR policy of Thermax Limited and the CSR activities of the company shall be conducted through Thermax Foundation (TF).

2. **Composition of CSR Committee:**

Pursuant to the Companies Amendment Act, 2020 and notification dated January 22, 2021, where the amount spent by a company on CSR does not exceed fifty lakh rupees the requirement for constitution of the CSR Committee should not be applicable. Therefore, since the CSR contribution made by the Company for the FY 2023-24 did not exceed Rs. 50 lakhs, CSR committee will be not applicable.

3. Provide the web-link where Composition of 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. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **NA**

   if applicable (attach the report).

5. (a) Average net profit of the company as per sub-section (5) of section 135: **Rs 18,02,51,171**

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 36,05,023**

   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NA**

   (d) Amount required to be set-off for the financial year, if any: **NA**

   (e) Total CSR obligation for the financial year [(b)+(c)- (d)]: **Rs. 36,05,023.**

6. (a) Amount spent on CSR Projects (both ongoing projects and other than ongoing projects): **Rs. 36,06,000**

   (b) Amount spent in Administrative Overheads: **Nil**

   (c) Amount spent on Impact Assessment, if applicable: **NA**

   (d) Total amount spent for the Financial Year [(a)+(b) +(c)]: **Rs. 36,06,000**

   (e) CSR amount spent or unspent for the Financial Year:

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 proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 36,06,000	**Not Applicable**				

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in Rs.)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	36,05,023
(ii)	Total amount spent for the Financial Year	**36,06,000**
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	977
(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)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficie ncy, if any
					Account under sub-section (6) of section 135 (in Rs.)	Amount (in Rs.)		
NIL								

8. 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes ⊘ No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135.

Place: Pune
Date: May 2, 2024.

Khushboo Bhatia
(Chief Executive Officer)

Rajendran A.
(Chairman of the Board)

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 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 Onsite Energy Solutions Limited
Thermax House, 14, Mumbai Pune Road,
Wakdewadi, Pune MH 411003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Onsite 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 through online access provided by the Company via Microsoft Sharepoint and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 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 31st March, 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;

(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 Debt Securities) Regulations, 2008;

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, except when meetings were called at shorter notice as permitted u/s. 173(3) of the Act 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.

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:

- The Company has acquired 153,30,000 equity shares of Thermax Energy & Environment Lanka Private Limited, a company incorporated in Sri Lanka ("TEELK"), constituting 100% of the issued, subscribed and paid up capital of TEELK. As a result, TEELK became wholly owned subsidiary of the Company with effect from 6th September 2023.

- Board of Directors, at its meeting held on 9th May 2023 has approved for issue of 3,60,00,000 (Three Crores Sixty Lakhs only) equity shares of face value of Rs. 10/- each to the existing shareholders of the Company.

- Board of Directors, at its meeting held on 25th July 2023 has allotted 3,60,00,000 (Three Crores Sixty Lakhs only) equity shares of face value of Rs. 10/- each.

- Board of Directors, through circular resolution passed on 30th September 2023 appointed Ms. Indu Jacob (DIN:05293084) as Additional Director (Woman Director) of the Company with immediate effect.

- The Company at Extra Ordinary General Meeting held on 14th March 2024 appointed Ms. Indu Jacob (DIN: 5293084) as a Director of the Company.

For Amit Jaste & Associates
Practising Company Secretaries

Amit Jaste **FCS No.:7289**
Proprietor **CP No.:12234**

Date: 02 / 05 /2024
Place: Mumbai

UDIN: F007289F000291705

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report

ANNEXURE A

To,
The Members,
Thermax Onsite Energy Solutions Limited
Thermax House, 14, Mumbai Pune Road,
Wakdewadi, Pune MH 411003

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 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 **FCS No.:7289**
Proprietor **CP No.:12234**

Date: May 2, 2024
Place: Mumbai

UDIN: F007289F000291705

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Onsite Energy Solutions Limited

Report on the Audit of the Standlone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Thermax Onsite Energy Solutions Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of 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.

Information Other than the Standalone 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 Director's 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.

Responsibility 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 Board of Directors 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 standalone 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.

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 40 of the standalone financial statements;

   (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) 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;

   (e) 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;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).

   (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) 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 28 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were 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, 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, other than as disclosed in the note 6 to the standalone financial statements, 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) No dividend has been declared or paid during the year by the Company.

      (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 privileged access rights, as described in note 41 to the 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 Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLF4847
Place of Signature: Pune
Date: May 02, 2024

"Annexure 1" referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report of even date.

Re: Thermax Onsite Energy Solutions Limited ('the Company')

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(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 fixed assets have not been physically verified by the management during the year but there is a regular programme of physical verification over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to 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.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year (except material and other components which are to be leased to customers under finance lease arrangements) and no material discrepancies noted on such physical verification. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to 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 or firms as follows:

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year and Balance outstanding as at balance sheet date				
Subsidiaries	833.41 lakhs	Nil	Nil	Nil
Joint Ventures	Nil	Nil	Nil	Nil
Associates	Nil	Nil	Nil	Nil

(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, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(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 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 chemicals and organic chemicals', 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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable to it. The provisions relating to sales tax, service tax, duty of excise and value added tax are not applicable to this Company.

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, duty of custom, 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	Amount (Rs. In lakhs)	Period to which the amount relates (AY)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	209.39	2018-19	Assistant Commissioner of Income Tax, Pune
Income Tax Act, 1961	Income Tax	352.05 (net of Rs. 88.01 lakhs paid under protest)	2020-21	Commissioner of Income Tax (Appeals), Pune

(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) Term loans were applied for the purpose for which the loans were obtained.

(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 meet the obligations of its subsidiary.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause (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) No fraud by the Company or 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 Act has been filed by cost auditor/ 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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(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 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(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 issue of our audit report on these 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 (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 (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 immediately 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 realization 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 26(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 the Act. This matter has been disclosed in note 26(c) to the standalone financial statements.

(xxi) The Company has elected to apply the exemption available for consolidation under Ind AS 110. This matter has been disclosed in note 42 to the standalone financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

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

per Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLF4847
Place of Signature: Pune
Date: May 02, 2024

Annexure 2 referred to in paragraph 2(g) under the heading "Report on other legal and regulatory requirements" of our report of even date

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 Onsite Energy Solutions 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 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 on Audit of Internal Financial Controls Over Financial Reporting (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 standalone 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 standalone 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 Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLF4847
Place of Signature: Pune
Date: May 02, 2024

Thermax Onsite Energy Solutions Limited

Balance Sheet as at March 31, 2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
I. Non-current assets			
Property, plant and equipment	4	338.41	162.32
Capital work-in-progress	4	18.25	-
Intangible assets	5	0.78	3.83
Investments in subsidiaries	6(a)	5,298.81	2,363.00
Financial assets:			
(a) Lease receivable	8 (a)	14,710.44	10,541.15
(b) Other financial assets	8 (b)	3.63	3.63
Income tax asset (net)		128.86	-
Deferred tax assets (net)	9	304.42	-
Other non-current assets	10	179.67	273.53
Total non-current assets		**20,983.27**	**13,347.46**
II. Current assets			
Inventories	11	12,519.46	8,870.91
Financial assets:			
(a) Investments	6(b)	1,953.15	-
(b) Trade receivables	7	4,596.64	3,199.90
(c) Cash and bank balances	12(a)	24.22	1,042.75
(d) Lease receivable	8(a)	2,049.49	2,045.31
(e) Other financial assets	8(b)	759.00	1,260.74
Income tax asset (net)		-	81.82
Other current assets	10	2,509.00	3,276.67
Total current assets		**24,410.96**	**19,778.10**
Total assets		**45,394.23**	**33,125.56**
Equity and liabilities			
III. Equity			
Equity share capital	13	10,828.00	7,228.00
Other equity	14	10,785.20	8,189.50
Total equity		**21,613.20**	**15,417.50**
IV. Non-current liabilities			
Financial liabilities			
(a) Borrowings	15 (a)	8,438.84	7,334.62
(b) Other financial liabilities	17	2,003.58	1,566.12
Deferred tax liabilities (net)	9	-	20.19
Other non-current liabilities	19	2,694.63	2,105.80
Total non-current liabilities		**13,137.05**	**11,026.73**
V. Current liabilities			
Financial liabilities			
(a) Borrowings	15 (b)	3,518.89	1,759.92
(b) Trade payables	16		
i. total outstanding dues of micro enterprises and small enterprises		1,584.86	964.40
ii. total outstanding dues of creditors other than micro enterprises and small enterprises		2,585.47	1,813.48
(c) Other financial liabilities	17	1,060.24	731.59
Other current liabilities	19	1,237.48	1,185.52
Provisions	18	325.66	170.99
Liabilities for current tax (net)		331.38	55.43
Total current liabilities		**10,643.98**	**6,681.33**
Total equity and liabilities		**45,394.23**	**33,125.56**
Summary of material accounting policies.	2		
Summary of material accounting judgements, estimates and assumptions	3		

The accompanying notes are an integral part of the standalone financial statements.

Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note No	March 31, 2024	March 31, 2023
Income			
Revenue from operations	20	45,516.25	34,790.64
Other income	21	237.13	65.64
Total Income (I)		**45,753.38**	**34,856.28**
Expenses			
Cost of raw materials and components consumed	22 (a)	38,832.64	27,904.58
Purchase of traded goods	22 (b)	-	522.29
Changes in inventories of work-in-progress /traded goods	22 (c)	(3,745.42)	(679.05)
Employee benefits expense	23	1,822.49	1,149.14
Finance cost	24	923.08	517.81
Depreciation and amortisation expense	25	50.33	72.34
Other expenses	26 (a)	4,371.38	3,270.78
Total expenses (II)		**42,254.50**	**32,757.89**
Profit before tax (III) = (I-II)		**3,498.88**	**2,098.39**
Tax expense			
Current tax	9	1,226.19	626.63
Adjustment of tax relating to earlier period	9	5.46	(38.95)
Deferred tax (net)	9	(326.53)	(88.22)
Total tax expense (IV)		**905.12**	**499.46**
Profit for the year (V) = (III-IV)		**2,593.76**	**1,598.93**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (Loss)/Gain of defined benefit plans	29	(7.61)	8.90
Less: Income tax effect	9	1.92	(2.24)
Net other comprehensive income for the year (net of tax) (VI)		**(5.69)**	**6.66**
Total comprehensive income for the year (VII)= (V+VI)		**2,588.07**	**1,605.59**
Earning per equity share (Basic and Diluted) [Nominal value per share Rs. 10/- (March 31, 2023: Rs. 10/-)]	27	**2.76**	**2.21**
Summary of material accounting policies.	2		
Summary of material accounting judgements, estimates and assumptions.	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Sumit Kumar Agrawal
Partner
Membership No: 135859

Date: May 02, 2024
Place: Pune

For and on behalf of the Board of Directors of
Thermax Onsite Energy Solutions Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN: 01308831

Khushboo Bhatia
Chief Executive Officer

Kajal Kabra
Company Secretary

Deepak Joshi
Chief Financial Officer

Date: May 02, 2024
Place: Pune

Statement of Cash flow for the year ended March 31, 2024

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

	Particulars	Note No.	March 31, 2024	March 31, 2023
A)	**Cash flows from operating activities**			
	Profit before tax		3,498.88	2,098.39
	Adjustments to reconcile profit before tax to net cash flows			
	Depreciation and amortisation expense	25	50.33	72.34
	Fair value gain on financial instrument at fair value through profit and loss (net)	21	(181.51)	-
	Interest expenses	24	730.07	328.06
	Unwinding of discount	24	193.01	189.75
	Liabilities written back	21	(39.79)	-
	Sundary balances written off	26	21.63	-
	(Profit) on sale of assets (net)	21	(10.32)	(35.14)
	Amortisation of prepaid lease rental	20 (a)	(232.34)	(190.37)
	Interest income	21	(5.51)	(28.90)
	Share based payment expenses	23	7.63	-
	Working capital adjustments			
	(Increase) in trade receivables		(1,396.74)	(281.07)
	(Increase) in inventories		(3,403.79)	(731.53)
	Decrease/(increase) in other assets		846.56	(1,214.21)
	Decrease/(increase) in other financial assets		501.74	(1,260.74)
	Increase/(decrease) in trade payables		1,410.61	(191.37)
	Increase in other liabilities		873.13	846.06
	Increase in provisions		146.55	52.94
	Increase in other financial liabilities		573.10	385.74
	Cash generated from operations		**3,583.24**	**39.95**
	Direct taxes paid (net of refunds received)		(998.90)	(676.34)
	Net cash flows from/(used in) operating activities		**2,584.34**	**(636.39)**
B)	**Cash flows from/ (used in) investing activities**			
	Purchase of Property, plant and equipment		(235.54)	(73.94)
	Proceeds from sale of Property, plant and equipment		19.21	550.65
	Investment in subsidiary		(2,935.81)	-
	Net movement in finance lease receivables		(4,095.60)	(2,381.44)
	Purchase of investments		(8,735.33)	-
	Proceeds from sale of investments		6,963.69	-
	Interest received		5.51	28.90
	Net cash flows (used in) investing activities		**(9,013.87)**	**(1,875.83)**
C)	**Cash flows from/ (used in) financing activities**			
	Proceeds from issue of share capital		3,600.00	-
	Proceeds from borrowings		4,549.35	4,852.73
	Repayment of borrowings		(1,695.06)	(1,571.87)
	Interest paid		(1,050.65)	(592.54)
	Transaction cost for increase in share capital		-	(47.50)
	Net cash flows from financing activities		**5,403.64**	**2,640.82**
	Net (decrease)/ increase in cash and bank balances		**(1,025.89)**	**128.60**
	Cash and bank balances at the beginning of the year		1,042.75	914.15
	Cash and bank balances at the end of the year		**16.86**	**1,042.75**

Reconciliation of cash and bank balances as per the cash flow statement:

	Note No.	March 31, 2024	March 31, 2023
Cash and bank balances	12(a)	24.22	1,042.75
Bank overdraft balance	15(b)	(7.36)	-
Balances as per statement of cash flows		**16.86**	**1,042.75**

There are no restrictions on the use of the above cash & cash equivalents

Statement of changes in Equity for the year ended March 31, 2024

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

A Equity Share Capital

Particulars	Note No.	March 31, 2024		March 31, 2023	
		No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting year	13	72,280,000	7,228.00	72,280,000	7,228.00
Changes in equity shares capital during the year	13	36,000,000	3,600.00	-	-
Balance at the end of the reporting year	**13**	**108,280,000**	**10,828.00**	**72,280,000**	**7,228.00**

B Other Equity

Particulars	Reserves & Surplus		
	Retained Earnings	Share Based Payment Reserve	Total
As at April 1, 2022	**6,631.41**	**-**	**6,631.41**
Profit for the year	1,598.93	-	1,598.93
Other Comprehensive Income	6.66	-	6.66
Total comprehensive income	**1,605.59**	**-**	**1,605.59**
Transaction cost for increase in share capital	(47.50)	-	(47.50)
As at March 31, 2023	**8,189.50**	**-**	**8,189.50**
Profit for the year	2,593.76	-	2,593.76
Other Comprehensive Income	(5.69)	-	(5.69)
Total comprehensive income	**2,588.07**	**-**	**2,588.07**
Share based payment	-	7.63	7.63
As at March 31, 2024	**10,777.57**	**7.63**	**10,785.20**

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Sumit Kumar Agrawal
Partner
Membership No: 135859

Date: May 02, 2024
Place: Pune

For and on behalf of the Board of Directors of
Thermax Onsite Energy Solutions Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN: 01308831

Khushboo Bhatia
Chief Executive Officer

Kajal Kabra
Company Secretary

Deepak Joshi
Chief Financial Officer

Date: May 02, 2024
Place: Pune

1. Corporate information

Thermax Onsite Energy Solutions Limited ('the Company') is a public company incorporated and domiciled in India. The Company offers sustainable solutions, essentially renewable in nature, for utilities namely steam, heat, chilled water (Cooling), Water and Wastewater, Power and Combined Heat and Power, through outsourced utility delivery services based on the Build-Own-Operate/Transfer (BOO/T) business model. The Company currently only caters to the domestic market. The CIN of the Company is U40109PN2009PLC134659. These standalone financial statements were authorized for issue in accordance with the resolution by the Board of Directors on May 02, 2024.

2. Significant 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, (Act) 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 judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the standalone financial statements are disclosed in Note 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:

- 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. Changes in accounting policies and disclosures

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 Company 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 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 amendments had no impact on the Company's financial statements.

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 which has no impact on the Company's financial statements.

2.3 Summary of material accounting policies

(a) Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Foreign currencies

The Company's standalone financial statements are prepared in INR, which is also the functional currency of the Company.

(c) Fair value measurement

The Company measures financial instruments 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 is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant 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

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

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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant judgements, estimates and assumptions (note 3)
- Quantitative disclosures of fair value measurement hierarchy (note 31)
- Financial instruments (including those carried at amortised cost) (note 6, 7, 8, 15, 16, 17 and 31)

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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

At present, the impact of climate-related matters is not material to the Company's financial statements.

(d) Property, Plant and Equipment

Property, plant and equipment (PPE) is 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.

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.

Gains or losses arising from derecognition of tangible 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.

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	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	7.5 to 10	15 to 20
Office equipment	15	15
Computers and data processing units	3 to 6	3 to 6
Vehicles	6 to 10	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.

(e) Intangible assets

IIntangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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.

A summary of amortisation rates applied to the Company's intangible assets is as below:

Asset category	Life (years)
Computer software	3 to 5

(f) Inventories

Raw materials are valued at lower of cost and estimated net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials is arrived at on the basis of weighted average cost.

Work in progress inventory is valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable 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.

(g) Revenue recognition

i. Revenue from contract with customer

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 recognized 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 identifies distinct performance obligations in each contract. The Company 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 Company 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 Company.

Revenue from sale of utilities is recognised at the point in time when control of the asset is transferred to the customer, generally 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.

The Company has identified maintenance of leased assets as separate performance obligation. Revenue for such obligation is recognised over the period in which the service is provided based on the actual expenditure incurred.

Rights of return

The Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognised for the goods that are expected to be passed on. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

Contract balances

Trade receivables: 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).

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. Contract liabilities are recognised as revenue when the Company satisfies the performance obligation. Contract liabilities are recorded in balance sheet as unearned revenue.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' right of return and volume rebates. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

ii. Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

(h) 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, as subsequently measured at amortised cost, fair value through profit or loss, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset. For all subsequent measurements financial assets are classified in following categories by the Company:

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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL.

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

Derecognition

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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized costs e.g. loans, deposits, trade receivables, lease receivables, contractual receivables and bank balances. The Company follows 'simplified approach' for recognition of impairment allowance.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings or payables as appropriate. All financial liabilities are recognized 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, employee payables and trade deposits. Subsequent measurement of financial liabilities depends on their classification as fair value through profit and loss or at amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. All the financial liabilities of the Company are classified under the amortized cost category. After initial recognition the financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part of EIR. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(i) Cash and cash equivalents

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 Company's cash management.

(j) Share capital

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

(k) Income tax

Current income-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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 and the same taxation authority.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

(l) Borrowing costs

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 capitalized 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.

(m) Leases

Company as a lessee

The Company's leases primarily consist of leases for buildings and office equipment's. 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 recognizes a right-of-use asset (“ROU”) 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Company as a lessor

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 recognized 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 recognized 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 Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company’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. The Company 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.

At the inception of the lease, a Company recognize the following for each of its finance leases:

(a) revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest;

(b) the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and

(c) selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales.

(n) Impairment of non-financial assets

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 including impairment on inventory are recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

(o) Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

(p) 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 recognizes 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 recognized 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 recognized 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 recognized 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 recognized in the Statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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 utilized 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.

(q) Segment Reporting

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 Chief Executive Officer as the chief executive decision maker of the Company.

(r) Contingent liability

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.

(s) Earnings Per Share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

i. Determining whether an arrangement contains a lease and its classification

A significant portion of the Company's business relates to leasing of assets under various arrangements. This requires the management to make judgements with respect to whether the arrangement contains a lease based on the substance of the arrangement and an assessment of whether the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The Company is also required to assess whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to classify the same as finance leases requiring significant judgements.

ii. Segment reporting

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.

The Company has determined that the CODM is the Chief Executive Officer, based on its internal reporting structure and functions of the Company. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Board of Directors 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 one reportable segment i.e. green energy and allied services.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Segregation of lease and non-lease components of the consideration

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 in accordance with Ind AS 115. The standard requires allocation of the transaction price to each performance obligation (or distinct good or service) in a way that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer. This requires the management to make significant estimates around the amount of consideration to which the entity expects to be entitled.

The Company 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 Company 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 Company.

Except when the Company has observable evidence in accordance with Ind AS 115 that the entire discount relates to only one or more, but not all, performance obligations in a contract, the Company allocates a discount proportionately to all performance obligations in the contract. The proportionate allocation of the discount in those circumstances is a consequence of the Company allocating the transaction price to each performance obligation on the basis of the relative standalone selling prices of the underlying distinct goods or services.

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

ii. Defined benefit plans - 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. Further details about gratuity obligations are given in note 29.

iii. Maintenance cost

These costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs and servicing cost of machinery installed at customer site. Management estimates the related provision for future maintenance costs based on historical incurred cost 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. Refer note 19 for further details.

iv. Useful lives of property, plant and equipment and intangible assets

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 amortization. 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 amortization charge would be adjusted where the management believes the useful lives differ from previous estimates. Refer note 2.3(d) and 2.3(e) above for further details.

4 Property, plant and equipment

Particulars	Plant and equipment *	Office equipment	Computer	Vehicles	Total	Capital Work in Progress
Gross carrying amount as at April 1, 2022	**804.47**	**17.35**	**38.25**	**8.26**	**868.33**	**-**
Additions	25.22	-	37.55	11.17	73.94	-
Disposals	(560.38)	-	(1.48)	-	(561.86)	-
Gross carrying amount as at March 31, 2023	**269.31**	**17.35**	**74.32**	**19.43**	**380.41**	**-**
Additions	188.70	4.11	22.68	16.77	232.26	250.51
Disposals	(126.91)	-	-	(8.26)	(135.17)	(232.26)
Gross carrying amount as at March 31, 2024	**331.10**	**21.46**	**97.00**	**27.94**	**477.50**	**18.25**
Closing accumulated depreciation as at April 1, 2022	**162.09**	**2.73**	**27.20**	**4.08**	**196.10**	**-**
Charge for the year	55.71	1.10	9.92	1.61	68.34	-
Disposals	(45.02)	-	(1.33)	-	(46.35)	-
Closing accumulated depreciation as at March 31, 2023	**172.78**	**3.83**	**35.79**	**5.69**	**218.09**	**-**
Charge for the year	29.67	1.14	12.93	3.54	47.28	-
Disposals	(120.56)	-	-	(5.72)	(126.28)	-
Closing accumulated depreciation as at March 31, 2024	**81.89**	**4.97**	**48.72**	**3.51**	**139.09**	**-**
Net Block as at March 31, 2024	**249.21**	**16.49**	**48.28**	**24.43**	**338.41**	**18.25**
Net Block as at March 31, 2023	**96.53**	**13.52**	**38.53**	**13.74**	**162.32**	**-**

*A portion of plant and equipment relates to assets categorised as assets leased on operating lease arrangements which includes equipment installed at vendors location of net book value of Rs. 184.64 (March 31, 2023 Rs. 19.59). Refer note 34 (b)

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

Ageing of Capital work-in-progress (CWIP) #:

Description		Amount in CWIP for a period of			
		Less than 1 year	**1-2 years**	**2-3 years**	**Total**
Project-in-progress	March 31,2024	18.25	-	-	18.25
	March 31,2023	-	-	-	-

For CWIP, there are no assets 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

5 Intangible Assets

	Computer Software	Total
Gross carrying amount as on April 01, 2022	**14.70**	**14.70**
Additions	-	-
Gross carrying amount as on March 31, 2023	**14.70**	**14.70**
Additions	-	-
Gross carrying amount as on March 31, 2024	**14.70**	**14.70**
Closing accumulated amortisation as at April 01, 2022	**6.87**	**6.87**
Charge for the year	4.00	4.00
Closing accumulated amortisation as at March 31, 2023	**10.87**	**10.87**
Charge for the year	3.05	3.05
Closing accumulated amortisation as at March 31, 2024	**13.92**	**13.92**
Net Block as at March 31, 2024	**0.78**	**0.78**
Net Block as at March 31, 2023	**3.83**	**3.83**

6(a) Investments in subsidiaries

	Principle place of business	Face value	Number of units		Amount	
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investments in Equity Instruments:						
Investments valued at cost (fully paid)						
Equity Shares in Subsidiaries (Unquoted)						
Enernxt Private Limited	India	Rs. 10	23,629,999	23,629,999	2,363.00	2,363.00
Thermax Energy and Environment Lanka (Private) Limited*	Sri lanka	LKR 10	83,313,367	-	2,935.81	-
Total investments					**5,298.81**	**2,363.00**
Aggregate amount of unquoted investments					5,298.81	2,363.00
Aggregate amount of impairment in the value of investments					-	-

*The Company has received Rs. 3,600 from Holding Company through right issue on July 17, 2023 for the purpose of investment in Thermax Energy and Environment Lanka (Private) Limited.

6 (b) Current investments

	Amount March 31, 2024	Amount March 31, 2023
Investments at Fair value through Profit and Loss		
Units of Mutual Funds (Quoted)	1,953.15	-
Total current investments	**1,953.15**	**-**
Aggregate amount of quoted investments	1,953.15	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

Investments at fair value through profit or loss reflect investment in quoted debt securities. Refer note 31 for determination of their fair values

7 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables from:		
i) Related parties (note 30)	136.34	32.69
ii) Others	4,460.30	3,167.21
Total	**4,596.64**	**3,199.90**
Sub-classification of trade receivables		
Secured, considered good	-	-
Unsecured, considered good	4,596.64	3,199.90
Trade receivables which have a significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	4,596.64	**3,199.90**
Less: Impairment allowance	-	-
Total	**4,596.64**	**3,199.90**

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

All outstanding balances are unsecured and repayable in cash. Trade receivables are non-interest bearing and are normally settled on credit terms of 7 to 45 days.

For terms and conditions relating to related party receivables, refer note 30.

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

Particulars	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	
As at March 31, 2024							
(i) Undisputed trade receivables- considered good	2,520.36	2,020.24	56.04	-	-	-	4,596.64
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	2,520.36	2,020.24	56.04	-	-	-	**4,596.64**
Less: impairment allowance	-	-	-	-	-	-	-
Total	**2,520.36**	**2,020.24**	**56.04**	**-**	**-**	**-**	**4,596.64**

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

Particulars	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	
As at March 31, 2023							
(i) Undisputed trade receivables- considered good	2,705.58	476.07	18.10	0.15	-	-	3,199.90
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	2,705.58	476.07	18.10	0.15	-	-	**3,199.90**
Less: impairment allowance	-	-	-	-	-	-	-
Total	**2,705.58**	**476.07**	**18.10**	**0.15**	**-**	**-**	**3,199.90**

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

8 (a) Lease receivable

	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good				
At amortized cost				
Finance lease receivables*	14,710.44	10,541.15	2,049.49	2,045.31
Total	**14,710.44**	**10,541.15**	**2,049.49**	**2,045.31**

*Lease receivables amounting to Rs. 12,548.18 (March 31, 2023 Rs.6,772.80) have been hypothecated against borrowings. Refer note 15.

8 (b) Other financial assets

	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good				
At amortized cost				
Security deposits	3.63	3.63	-	-
Unbilled revenue	-	-	673.74	362.74
Other amount recoverable	-	-	85.26	898.00
Total	**3.63**	**3.63**	**759.00**	**1,260.74**

9 Income Taxes

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

Statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Current tax	1,226.19	626.63
Adjustments in respect of income tax of previous year	5.46	(38.95)
Deferred tax (income)/ expense (Relating to obligations and reversal of temporary differences)	(326.53)	(88.22)
Income tax expense reported in the statement of profit and loss	**905.12**	**499.46**

Other comprehensive income

Particulars	March 31, 2024	March 31, 2023
Deferred tax related to items recognised in other comprehensive income during the year		
Net (gain)/loss on remeasurements of defined benefit plans	(1.92)	2.24
Deferred tax credited in other comprehensive income	**(1.92)**	**2.24**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023

Particulars	March 31, 2024	March 31, 2023
Accounting profit before tax	3,498.88	2,098.39
At India's statutory income tax rate of 25.17% (March 31, 2023: 25.17%)	880.67	528.16
Taxes from prior periods	5.46	(38.96)
Other differences (includes differences on account of CSR disallowances etc.)	18.99	10.26
Effective tax	**905.12**	**499.46**
Income tax expense reported in the statement of profit or loss	**905.12**	**499.46**

Deferred tax

Statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Deferred tax relates to the following :		
Consequence of differences in tax base of assets and finance lease receivables	25.15	15.82
On unearned revenue*	95.43	57.21
Others (impact on account of temporary differences)	205.95	15.19
Deferred tax income	**326.53**	**88.22**

Deferred tax

Balance sheet

Particulars	March 31, 2024	March 31, 2023
Deferred tax relates to the following :		
Consequence of differences in tax base of assets and finance lease receivables	(408.00)	(433.15)
On unearned revenue*	513.18	417.75
Others (impact on account of temporary differences)	199.24	(4.79)
Net deferred tax liabilities	**304.42**	**(20.19)**

*includes revenue remaining unearned for the portion attributable to maintenance of leased equipment constructed at customer premises under finance lease arrangements.

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Reconciliation of deferred tax liabilities

Particulars	March 31, 2024	March 31, 2023
Opening balance	20.19	106.17
Tax expense / (income) during the period recognised in profit or loss	(326.53)	(88.22)
Tax expense / (income) during the period recognised in OCI	1.92	2.24
Closing balance	**(304.42)**	**20.19**

The Company 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.

10 Other assets

	Non Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unsecured considered good				
Balances with government authorities	-	-	1,430.64	1,217.03
Capital advances	-	14.97	-	-
Advances to suppliers	-	-	337.17	159.41
Advances to staff and workers	-	-	13.55	4.14
Advance to group companies (note 30)	-	-	635.27	1,799.94
Prepaid expenses	179.67	258.56	92.37	91.46
Other amount recoverable	-	-	-	4.69
Total	**179.67**	**273.53**	**2,509.00**	**3,276.67**

There were no advances due by directors or other 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 any director is a partner or a member.

11 Inventories (valued at lower of cost and net realizable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	498.40	677.03
Traded goods	-	8.77
Stores and spares	81.76	-
Work in progress*^	11,939.30	8,185.11
Total	**12,519.46**	**8,870.91**

* Includes purchase of machinery and other components which are to be leased to customers under finance lease arrangements.

^Inventory amounting to Rs. 10,651.74 (March 31, 2023 Rs. 8,157.84) has been hypothecated against borrowings. Refer note 15.

12 (a) Cash and bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- on current accounts	24.22	1,042.75
Total	**24.22**	**1,042.75**

12 (b) Changes in liabilities arising from financing activities

Particulars	Borrowings
As on April 1, 2022	**5,778.03**
Cash flow	3,280.86
Others (Including interest paid)	35.65
As on March 31, 2023	**9,094.54**
Cash flow	2,854.29
Others (Including interest paid)	9.46
As on March 31, 2024	**11,958.29**

13 Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized shares (Nos)		
150,000,000 (March 31, 2023: 150,000,000) equity shares of Rs. 10/- each.	15,000.00	15,000.00
	15,000.00	**15,000.00**
Issued, subscribed and fully paid share capital (Nos)		
108,280,000 (March 31, 2023: 72,280,000) equity shares of Rs. 10/- each fully paid up	10,828.00	7,228.00
Total issued, subscribed and fully paid-up share capital	**10,828.00**	**7,228.00**

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

Particulars	No. of Shares	Rs.
Equity share of Rs. 10 each issued, subscribed and fully paid		
As at April 01, 2022	72,280,000	7,228.00
Changes during the year	-	-
As at March 31, 2023	**72,280,000**	**7,228.00**
Changes during the year	36,000,000	3,600.00
As at March 31, 2024	**108,280,000**	**10,828.00**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 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 share capital held by holding company

Particulars	As at March 31, 2024	As at March 31, 2023
Thermax Limited*		
108,280,000 (March 31, 2023: 72,280,000) equity shares of Rs. 10/- each fully paid up	10,828.00	7,228.00

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

Particulars	As at March 31, 2024	As at March 31, 2023
Thermax Limited*		
%	100.00	100.00
No. of shares	108,280,000	72,280,000

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

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.

*Includes 6 shares (March 31, 2023: 6 shares) held by nominee shareholders.

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Particulars	As at March 31, 2024	As at March 31, 2023
Reserves and Surplus		
Retained earnings		
Opening balance	8,189.50	6,631.41
Add: Profit for the year	2,593.76	1,598.93
Less: Transaction cost for increase in share capital	-	(47.50)
Movement during the year	**2,593.76**	**1,551.43**
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurements of post-employment benefit obligations, net of tax Rs. 1.92 (March 31, 2023 : Rs. 2.24)	(5.69)	6.66
Net surplus in the statement of profit and loss	**10,777.57**	**8,189.50**
Other Reserves		
Share based payment reserve* (refer note 37)	7.63	-
Total	**10,785.20**	**8,189.50**

14.1 Share based payment reserve

Pertains to equity settled share based payment plan issued by Parent Company for certain categories of empoyees of the Company (refer note 37)

15(a) Non-current borrowings

	As at March 31, 2024	As at March 31, 2023
At amortized cost		
Secured		
Loan from banks*	11,950.37	9,094.54
Less : Current maturities of long term borrowings	(3,511.53)	(1,759.92)
Total	**8,438.84**	**7,334.62**

15(b) Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured loan from bank**	7.36	-
Current maturities of non-current borrowings	3,511.53	1,759.92
Total	**3,518.89**	**1,759.92**

*Loan from bank carries an effective interest rate ranging between 8.48% - 9.62% (March 31, 2023 : 6.48% - 9.62%). The loan has been availed for 60 to 84 months and it is repayable in 48 to 72 monthly instalments along with interest, from the date the moratorium period ends. The loan has a moratorium period of 12 months for repayment of principal. The loan is secured by first charge on plant and machinery (property, plant & equipment, finance lease receivable, and inventory work in progress), an escrow of cashflow for the specific project for which such facility was availed.

**Unsecured loans includes bank overdraft of Rs 7.36 (March 31, 2023 : Nil) carries an interest rate of 8.50% (March 31, 2023 : Nil)

16 Trade Payables

	As at March 31, 2024	As at March 31, 2023
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	1,584.86	964.40
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Related Parties (refer note 30)	1,216.13	1,027.39
(ii) Others	1,369.34	786.09
Total	**4,170.33**	**2,777.88**

For terms and conditions with related parties, refer note 30.

Trade payables are non-interest bearing and are normally settled on credit terms of 7 to 60 days.

Details of dues to micro and small enterprises as defined under The Micro, Small and Medium enterprises Development (MSMED) Act 2006

Particulars	March 31, 2024	March 31, 2023
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	1,536.36	937.44
-Interest due thereon	1.72	5.15
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	-	-
The amount of payment made to the supplier beyond the appointed day during the year	4,133.28	1,064.08
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	19.82	9.15
The amount of interest accrued and remaining unpaid at the end of each accounting year	21.54	14.30
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	48.50	26.96

The ageing of current trade payables which are due for payment :

Particulars	Unbilled*	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	
As at March 31, 2024							
(i) MSME	138.22	567.33	868.22	0.42	10.67	-	1,584.86
(ii) Others	517.46	716.75	1,351.26	-	-	-	2,585.47
(iii) Disputed dues-MSME	-	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-	-
Total	**655.68**	**1,284.08**	**2,219.48**	**0.42**	**10.67**	**-**	**4,170.33**

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

The ageing of current trade payables which are due for payment :

Particulars	Unbilled*	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	
As at March 31, 2023							
(i) MSME	120.18	166.44	643.43	34.35	-	-	**964.40**
(ii) Others	253.35	588.39	936.18	35.56	-	-	**1,813.48**
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
Total	**373.53**	**754.83**	**1,579.61**	**69.91**	-	-	**2,777.88**

*Includes year-end accruals.

17 Other financial liabilities

	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
At amortized cost				
Trade deposits *	2,003.58	1,566.12	590.78	548.82
Employee related payables	-	-	469.46	182.77
Total	**2,003.58**	**1,566.12**	**1,060.24**	**731.59**

* Including deposits payable to related parties. Refer note 30.

18 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 29)	45.52	0.18
Provision for leave encashment	84.60	51.51
	130.12	**51.69**
Other provisions		
Refund liabilities*	195.54	119.30
	195.54	**119.30**
Total	**325.66**	**170.99**

* Represents the provision made for the savings in the fuel costs which will be passed on to the customer.

19 Other liabilities

	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Advance lease rentals	1,488.13	1,287.80	308.96	225.97
Unearned revenue*	1,206.50	818.00	832.38	828.24
Statutory dues and other liabilities**	-	-	96.14	131.31
Total	**2,694.63**	**2,105.80**	**1,237.48**	**1,185.52**

*includes revenue remaining unearned for the portion attributable to maintenance of leased equipment constructed at customer premises under finance lease arrangements.
** includes payable for tax deducted at source, provident fund, professional tax and goods and services tax.

20 Revenue from operations

a) Revenue from contracts with customers:

	March 31, 2024	March 31, 2023
Revenue from operations		
Sale of products	36,640.07	27,710.68
Sale of leased assets *	6,592.95	4,581.61
Sale of traded goods	-	597.27
Finance income on leased assets	1,968.20	1,691.21
	45,201.22	**34,580.77**
Other operating revenue		
Sale of scrap	24.69	1.07
Amortisation of prepaid lease rental	232.34	190.37
Miscellaneous#	58.00	18.43
	315.03	**209.87**
Revenue from operations (Net)	**45,516.25**	**34,790.64**

* pertains to sale of equipment to customers under finance lease arrangements.

Includes liquidity damages recovered from customer of Rs. 58 (March 31, 2023 : Nil) .

b) Disclosure pursuant to Ind AS 115: Revenue from contracts with customers:

i) Revenue by category of contracts:

	March 31, 2024	March 31, 2023
Over a period of time basis	345.57	344.78
At a point-in-time basis	42,887.45	32,544.78
Total revenue from contracts with customers	**43,233.02**	**32,889.56**

ii) Revenue by geographical market:

	March 31, 2024	March 31, 2023
Within India	45,516.25	34,790.64
Outside India	-	-
Revenue from operations (net)	**45,516.25**	**34,790.64**

iii) Contract balances:

The following table provides information about contract balances from contracts with customers as at the reporting date:

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables (note 7)	4,596.64	3,199.90
Non current unearned revenue (Contract liability) (note 19)	1,206.50	818.00
Current unearned revenue (Contract liability) (note 19)	832.38	828.24
Unbilled revenue (Contract asset) (note 8(b))	673.74	362.74
Refund liability (note 18)	195.54	119.30

The contract liabilities relate to unearned revenue 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

iv) Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

	March 31, 2024	March 31, 2023
Unearned revenue (Contract liability) (note 26(a))	345.57	344.78

v) Changes in unearned revenue for the year:

The explanation of the significant changes in the unearned balances during the reporting year is presented in the table below:-

	March 31, 2024	March 31, 2023
Opening unearned revenue (refer note 19)	**1,646.24**	**1,382.53**
-Increase in revenue remaining unearned for the portion attributable to maintenance of leased assets constructed at customer premises under finance lease arrangements.	738.21	608.49
-Decrease in revenue remaining unearned for the portion attributable to maintenance of leased assets constructed at customer premises under finance lease arrangements.	(345.57)	(344.78)
Closing unearned revenue (refer note 19)	**2,038.88**	**1,646.24**

vi) Remaining performance obligations:

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

Particulars	March 31, 2024	March 31, 2023
Amount of revenue yet to be recognised for performance obligations remaining to be completed*	52,912.58	46,989.01

*The Company has disclosed remaining performance obligation expected to be fulfilled in next 12 months. However, the contracts with customers for supply of utilities are for a longer period.

vii) 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.

21 Other income

	March 31, 2024	March 31, 2023
Interest income from financial assets at amortised cost		
Bank deposits	5.49	28.86
Others	0.02	0.04
Fair value gain on financial instrument at fair value through profit and loss (net)	181.51	-
Profit on sale of asset (net)	10.32	35.14
Liabilities written back	39.79	-
Miscellaneous income	-	1.60
Total	**237.13**	**65.64**

22(a) Cost of raw material and components consumed

	March 31, 2024	March 31, 2023
Inventories at the beginning of the year	677.03	367.86
Add: Purchases *	38,654.01	28,213.75
	39,331.04	**28,581.61**
Inventories at the end of the year	498.40	677.03
Total	**38,832.64**	**27,904.58**

* Includes purchase of machinery and other components which are used to construct plants which are leased to customers under finance lease arrangements.

22(b) Purchase of traded goods

	March 31, 2024	March 31, 2023
Purchases	-	522.29
Purchase of traded goods	**-**	**522.29**

22(c) Changes in inventories of work-in-progress and traded goods

Particulars	As at March 31, 2024	As at March 31, 2023
Inventories at the beginning of the year		
Work in progress	8,185.11	7,494.73
Traded goods	8.77	20.10
Total	**8,193.88**	**7,514.83**
Inventories at the end of the year		
Work in progress	11,939.30	8,185.11
Traded goods	-	8.77
Total	**11,939.30**	**8,193.88**
Changes in inventories of work-in-progress and traded goods	**(3,745.42)**	**(679.05)**

23 Employee benefits expense

	March 31, 2024	March 31, 2023
Salaries,wages and bonus (includes directors sitting fees)	1,693.72	1,066.60
Contribution to provident and other funds	70.14	51.86
Gratuity expense (refer note 29)	16.98	15.18
Staff welfare expenses	34.02	15.50
Share based payment expenses (refer note 37)	7.63	-
Total	**1,822.49**	**1,149.14**

24 Finance cost

	March 31, 2024	March 31, 2023
Interest expense	730.07	328.06
Unwinding of discount	193.01	189.75
Total	**923.08**	**517.81**

25 Depreciation and amortization expense

	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (note 4)	47.28	68.34
Amortization of intangible assets (note 5)	3.05	4.00
Total	**50.33**	**72.34**

Notes to the Standalone Financial Statements for the year ended March 31, 2024

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

26 (a) Other expenses

	March 31, 2024	March 31, 2023
Consumption of stores and spares	335.85	285.77
Site expenses and contract labour charges	2,664.06	2,084.86
Rates and taxes	3.17	7.81
Insurance	19.02	23.51
Repairs and maintenance		
Plant and machinery	116.93	3.36
Leased assets	368.53	344.78
Others	1.97	0.78
Travelling and conveyance	229.63	92.61
Legal and professional fees (includes payment to Auditor (refer note (b))	201.80	211.39
CSR expenditure (refer note (c))	36.06	31.55
Corporate cost allocation (refer note 30)	200.00	92.96
Sundary balances written off	21.63	-
Miscellaneous expenses (includes courier charges, bank charges, etc.)	172.73	91.40
Total	**4,371.38**	**3,270.78**

(b) Payment to auditors

	March 31, 2024	March 31, 2023
As auditor:		
Audit fees	17.90	15.00
Certification services	1.50	-
Reimbursement of expenses	0.88	1.29
Total	**20.28**	**16.29**

(c) Corporate Social Responsibility (CSR)

	March 31, 2024	March 31, 2023
(a) Gross amount required to be spent by the Company during the year	36.06	31.55
(b) Amount spent during the year*	36.06	31.55
(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:	36.06	31.55

*The amount is contributed to Thermax Foundation, India (refer note 30) 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. Thers is no shortfall in contribution as at March 31, 2024.

27 Earnings per share

	March 31, 2024	March 31, 2023
Net profit after tax attributable to the equity shareholders	2,593.76	1,598.93
Weighted average number of equity shares of Rs.10/- each	94,077,260	72,280,000
Basic and diluted EPS	**2.76**	**2.21**

28 Contingent liabilities and commitments:

Capital and other commitments

	March 31, 2024	March 31, 2023
A. Capital commitment		
Estimated amounts of contracts remaining to be executed on capital account (net of advance)	96.65	84.53
long term contracts with customer for assets yet to be leased to customers (net of advance)	2,046.48	7,242.66
B. Contingent Liability*		
Income tax demands disputed	649.45	-

*Excluding interest and penalties thereon.

Guarantees:

The Company has issued various guarantees for performance, advances, etc. which are not disclosed here as the probability of outflow for the same is considered remote.

29 Gratuity

The Company operates a defined benefit plan of gratuity for its employees. Under the gratuity plan, every employee who has completed specified years of service gets a gratuity on departure at the rate of 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.

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. 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 :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2022	**108.59**	**(112.21)**	**(3.62)**
Current service cost	15.42	-	15.42
Interest expense/(income)	3.57	(3.81)	(0.24)
Total amount recognised in the statement of profit or loss	**18.99**	**(3.81)**	**15.18**
Experience (gain) / loss	0.36	0.21	0.57
(Gain)/loss from change in demographic assumptions	(1.18)	-	(1.18)
(Gain)/loss from change in financial assumptions	(8.18)	-	(8.18)
Return on plan assets expense/(income)	-	(0.11)	(0.11)
Total amount recognised in Other Comprehensive Income	**(9.00)**	**0.10**	**(8.90)**
Employer contributions	(2.44)	-	(2.44)
Mortality charges	-	0.04	0.04
April 1, 2023	**116.14**	**(115.96)**	**0.18**
Current service cost	15.57	-	15.57
Interest expense/(income)	5.71	(4.30)	1.41
Total amount recognised in the statement of profit or loss	**21.28**	**(4.30)**	**16.98**
Experience (gain) / loss	5.87	0.74	6.61
(Gain)/loss from change in financial assumptions	1.23	-	1.23
Return on plan assets expense/(income)	-	(0.23)	(0.23)
Total amount recognised in Other Comprehensive Income	**7.10**	**0.51**	**7.61**
Employer contributions	-	-	-
Mortality charges	-	0.04	0.04
Transfer In	20.71	-	20.71
March 31, 2024	**165.23**	**(119.71)**	**45.52**

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

II The net (asset)/liability disclosed above relates to funded plans are as follows :

Particulars	March 31, 2024	March 31, 2023
Present value of funded obligation	165.23	116.14
Fair value of plan assets	(119.71)	(115.96)
Net (asset)/liability	**45.52**	**0.18**

III Significant assumptions

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.20%	7.40%
Salary growth rate	7.00%	7.00%
Expected return on plan assets	7.4% P.A.	7% P.A.
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	12%	12%

IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	March 31, 2024	March 31, 2023
Discount rate		
1.00% increase	Decrease by 5.89	Decrease by 3.26
1.00% decrease	Increase by 6.58	Increase by 3.66
Future salary increase		
1.00% increase	Increase by 5.54	Increase by 3.06
1.00% decrease	Decrease by 5.06	Decrease by 2.78
Attrition Rate		
1.00% increase	Increase by 0.07	Decrease by 0.08
1.00% decrease	Decrease by 0.08	Increase by 0.09

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 prior period.

The following are the expected cash flows to the defined benefit plan in future years:

	March 31, 2024	March 31, 2023
Within next 12 months	16.93	10.57
Between 2-5 years	59.07	33.67
Between 5-10 years	123.55	69.26

The average duration of the defined benefit plan obligation at the end of the reporting period is 9.72 years (March 31, 2023: 10.49 years).

V The major categories of plan assets are as follows:

Particulars	March 31, 2024	March 31, 2023
Investments with Insurer (LIC of India)	100.00%	100.00%

30 Related party disclosures

A Names of related parties and related party relationship:

Related parties where control exists

I Ultimate Holding Company

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	RDA Holdings Private Limited	India

II Holding Company

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Limited	India

III Subsidiary Company

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Enernxt Private Limited	India
2	Thermax Energy and Environment Lanka (Private) Limited (w.e.f. September 06, 2023)	Sri lanka

B Related parties with whom transactions have taken place during the year and previous year :

Fellow Subsidiaries in India/Outside India

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	First Energy Private Limited	India
2	Thermax Instrumentation Limited	India
3	Thermax Bioenergy Solutions Private Limited	India
4	Thermax Energy & Environment Philippines Corporation	Philippines

Entities controlled by holding company or its KMP

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Marico Limited	India

C. Key management Personnel:

1 Mr. Hemant Mohgaonkar - Director
2 Mr. Rajendran Arunachalam - Director
3 Mr. Ashish Bhandari - Director
4 Mr. Sanjay Parande - Independent Director (upto April 27, 2023)
5 Mr. Sundar Parthasarthy - Independent Director (upto March 30, 2023)
6 Mrs. Indu Jacob - Director (w.e.f. September 30, 2023)
7 Ms. Khushboo Bhatia - Chief Executive Officer
8 Mr. Deepak Joshi-Chief Financial Officer
9 Ms. Gunjan Chandratre - Company Secretary (upto December 26, 2022)
10 Ms. Kajal Kabra - Company Secretary (w.e.f. January 27, 2023)

D Individuals having control or significant influence over the Company by reason of voting power, and their relatives:

1 Mrs. Meher Pudumjee - Chairperson of Holding Company
2 Mrs. Anu Aga - Relative of Chairperson of Holding Company
3 Mr. Pheroz Pudumjee - Director of Holding Company
4 Mr. Zahaan Pudumjee - Relative of Chairperson of Holding Company

E Enterprises with whom transactions have taken place during the year, over which control is exercised by individuals listed in 'D' above:

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Foundation (formerly known as Thermax Social Initiative Foundation)	India

Notes to the Standalone Financial Statements for the year ended March 31, 2024
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F Enterprises, directors of which provide key managerial personnel services to the parent of the company:

1 Marico Limited, India

G Transactions with related parties:

	Holding Company		Subsidiary Company		Subsidiaries of the Holding Company		Enterprises over which control is exercised by individuals mentioned in 'C', 'D' and 'F'		Key Management Personnel and relatives mentioned in 'D'		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
a. Transactions during the year												
Recovery of expenses	3.40	296.89	49.29^	37.86^	2.07	-	-	-	-	-	54.76	334.75
Repairs and maintenance of leased assets	97.39	32.09	-	-	-	-	-	-	-	-	97.39	32.09
Purchase of raw material and components	8,728.97	4,454.44	-	-	-	164.55	-	-	-	-	8,728.97	4,618.99
Site expenses and contract labour charges	43.64	22.10	-	-	-	-	-	-	-	-	43.64	22.10
Consumption of Stores & Spares	9.20	9.84	-	-	0.33	2.67	-	-	-	-	9.53	12.51
Corporate cost allocation	200.00	92.96	-	-	-	-	-	-	-	-	200.00	92.96
Reimbursement of expenses	46.13	32.69	-	-	-	12.14	-	-	-	-	46.13	44.83
Salaries,wages and bonus	135.09	142.93	-	-	13.02	41.64	-	-	248.14*	215.74*	396.25	400.31
Miscelleneous expenses	20.98	13.50	-	-	-	-	-	-	-	-	20.98	13.50
Donation	-	-	-	-	-	-	36.06	31.55	-	-	36.06	31.55
Purchase of property, plant and equipment and Intangible assets	23.44	37.55	-	-	-	-	-	-	-	-	23.44	37.55
Sales of Property Plant & Equipment	2.60	-	-	-	-	557.40	-	-	-	-	2.60	557.40
Sales of leased assets	-	-	-	-	-	277.33	-	-	-	-	-	277.33
Corporate Guarantee issued on behalf of Subsidiary Company	-	-	833.41	-	-	-	-	-	-	-	833.41	-
Bank Guarantee issued by the Company	-	-	-	-	-	-	75.00	-	-	-	75.00	-
Investment in Subsidiary	-	-	2,935.81	-	-	-	-	-	-	-	2,935.81	-
Proceeds from shares issued	3,600.00	-	-	-	-	-	-	-	-	-	3,600.00	-
Sale of product	521.79	-	-	-	-	-	436.86	386.45	-	-	958.65	386.45

*This includes amount paid by the Holding Company on behalf of the entity.

^This includes amount paid by the Company on behalf of its subsidiary.

	Holding Company		Subsidiary Company		Subsidiaries of the Holding Company		Entities controlled by Holding company or its KMP		Key Management Personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
b. Balances as at reporting date												
Other amounts recoverable	27.14	8.26	18.27	-	-	898.10	-	-	-	-	45.41	906.36
Trade receivables	72.39	-	-	-	-	-	63.95	32.69	-	-	136.34	32.69
Advances given	631.91	1,796.58	-	-	3.36	3.36	-	-	-	-	635.27	1,799.94
Trade deposits	65.00	65.00	-	-	-	-	75.00	75.00	-	-	140.00	140.00
Trade payables	1,203.44	971.82	-	-	12.69	55.57	-	-	-	-	1,216.13	1,027.39
Corporate Guarantee issued on behalf of Subsidiary Company	-	-	833.41	-	-	-	-	-	-	-	833.41	-
Bank Guarantee issued by the Company	-	-	-	-	-	-	75.00	-	-	-	75.00	-
Bank Guarantees issued by holding company on behalf of the Company	-	75.00	-	-	-	-	-	-	-	-	-	75.00

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

H 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' above):

Particulars	March 31, 2024	March 31, 2023
Transactions during the year		
Recovery of expenses		
Thermax Limited, India	3.40	296.89
First Energy Private Limited	2.07	-
Enernxt Private Limited	49.29	37.86
Repairs and maintenance of leased assets		
Thermax Limited, India	97.39	32.09
Purchase of raw material and components		
Thermax Limited, India	8,728.97	4,454.44
First Energy Private Limited	-	164.55
Corporate cost allocation		
Thermax Limited, India	200.00	92.96
Reimbursement of expenses		
Thermax Limited, India	46.13	32.69
Thermax Energy & Enviroment Philippines Corporation	-	12.14
Site expenses and contract labour charges		
Thermax Limited, India	43.64	22.10
Consumption of Stores & Spares		
Thermax Limited, India	9.20	9.84
First Energy Private Limited	0.33	2.67
Miscellaneous expense		
Thermax Limited, India	20.98	13.50
Sale of products		
Marico Limited	436.86	386.45
Thermax Limited, India	521.79	-
Salaries,wages and bonus*		
Mr. Sanjay Parande	-	5.30
Mr. Sundar Parthasarathy	-	5.30
Ms. Khushboo Bhatia	149.78	125.00
Mr. Zahaan Pudumjee	39.16	34.49
Mr. Deepak Joshi**	50.74	38.80
Ms. Gunjan Chandratre**	-	5.26
Ms. Kajal Kabra**	8.46	1.59
Thermax Limited***	135.09	142.93
Thermax Energy & Enviroment Philippines Corporation	6.04	41.64
Donation		
Thermax Foundation, India (formerly known as Thermax Social Initiative Foundation)	36.06	31.55
Purchase of property, plant and equipment and Intangible assets		
Thermax Limited, India	23.44	37.55
Sale of Property Plant & Equipment		
Thermax Limited, India	2.60	-
First Energy Private Limited	-	557.40
Sale of leased assets		
First Energy Private Limited	-	277.33
Proceeds from shares issued		
Thermax Limited, India	3,600.00	-
Investment in Subsidiary		
Thermax Energy and Environment Lanka (Private) Limited	2,935.81	-
Corporate Guarantee issued on behalf of Subsidiary Company		
Thermax Energy and Environment Lanka (Private) Ltd.	833.41	-
Bank Guarantee issued by the Company		
Marico Limited	75.00	-

* Components of remuneration to key management personnel includes sitting fees to independent directors & reimbursement of expenses.

** These amounts have been reimbursed to the Holding company.

*** These amounts have been reimbursed to the Holding company for other employees.

Particulars	March 31, 2024	March 31, 2023
Balances as at the year end		
Other amounts recoverable		
Thermax Limited, India	27.14	8.26
First Energy Private Limited	-	898.10
Enernxt Private Limited	18.27	-
Trade receivables		
Marico Limited, India	63.95	32.69
Thermax Limited, India	72.39	-
Advances given		
Thermax Limited, India	631.91	1,796.58
Trade deposits		
Marico Limited, India	75.00	75.00
Thermax Limited, India	65.00	65.00
Trade payables		
Thermax Limited, India	1,203.44	971.82
Corporate Guarantee issued on behalf of Subsidiary Company		
Thermax Energy and Environment Lanka (Private) Ltd.	833.41	-
Bank Guarantees issued by holding company on behalf of the entity		
Thermax Limited, India	-	75.00
Bank Guarantee issued by the Company		
Marico Limited	75.00	-

I Terms and conditions of related party transactions

The sales to 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 and settlement occurs in cash.

There have been no guranatees provided or received for any related party receivables or payables except as disclosed above. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023 : Rs. Nil). The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

31 Fair value measurements

a) Category of financial instruments and valuation techniques

Details of financial assets carried at amortised cost

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Trade receivables	7	4,596.64	3,199.90
Finance lease receivable	8 (a)	16,759.93	12,586.46
Other financial assets	8 (b)	762.63	1,264.37
Cash and bank balances	12(a)	24.22	1,042.75
Total financial assets		**22,143.42**	**18,093.48**
Current assets		7,429.35	7,548.70
Non-current assets		14,714.07	10,544.78
Total financial assets		**22,143.42**	18,093.48

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 & loss.

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Investments	6	1,953.15	-
Total		**1,953.15**	**-**
Current assets		1,953.15	-
Non current assets		-	-
Total		**1,953.15**	**-**

The fair value of units of mutual funds are based on net asset value as at the reporting date.

Details of financial liabilities carried at amortised cost

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Borrowings	15	11,957.73	9,094.54
Trade payables	16	4,170.33	2,777.88
Trade deposits	17	2,594.36	2,114.94
Other financial liabilities	17	469.46	182.77
Total financial liabilities		**19,191.88**	**14,170.13**
Current liabilities		8,749.46	5,269.39
Non-current liabilities		10,442.42	8,900.74
Total financial liabilities		**19,191.88**	**14,170.13**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

32 Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include finance lease receivables, trade and other receivables, and cash and bank balances.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings and finance lease receivables.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

The sensitivity analysis has been prepared on the basis that the amount of debt and the average interest rate prevalent during the financial year.

The analysis excludes the impact of movement in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Impact on profit before tax	
	March 31, 2024	**March 31, 2023**
Interest rate		
- Increase by 100 basis points	(119.58)	(90.30)
- Decrease by 100 basis points	119.58	90.30

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 from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. An impairment analysis is performed at each reporting date on an individual basis for major customers. 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 and financial institutions is managed by the treasury department in accordence with the policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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, company maintains flexibility in funding by maintaining availability under committed credit lines.

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

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and bank balances, the basis of expected cash flows. This is generally carried out by the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the company operates.

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity profile on their contractual maturities for :

March 31, 2024	Note No.	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	15	3,518.89	4,362.26	2,793.96	1,282.62
Trade payables	16	4,170.33	-	-	-
Trade deposits*	17	667.70	35.00	1,000.00	2,871.13
Other financial liabilities	17	469.46	-	-	-

March 31, 2023	Note No.	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	15	1,759.92	3,942.17	2,286.70	1,105.75
Trade payables	16	2,777.88	-	-	-
Trade deposits*	17	586.50	-	290.00	2,897.22
Other financial liabilities	17	182.77	-	-	-

*Represents contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the balance sheet because the balance sheet amount is based on discounted cash flows.

33 Capital Management

The Company's objective for capital management is to maximise 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.

Particulars	March 31, 2024	March 31, 2023
Borrowings	11,957.73	9,094.54
Less: Cash and bank balances	24.22	1,042.75
Net debt	**11,933.51**	**8,051.79**
Equity	21,613.20	15,417.50
Capital and net debt	**33,546.71**	**23,469.29**
Gearing ratio	**35.57%**	**34.31%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

34 Disclosure under Ind AS - 116 : Leases

a) Amount receivable under Finance lease - where the Company is a lessor

The Company has entered into certain arrangements with its customers where the Company will supply heat/steam/treated water by installing the boiler/heater/water treatment plant at the customers' premises. The Company has determined, that fulfilment of these arrangements is dependent on the use of a specific assets 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.

Particulars	Gross Investment in lease		Present value of minimum lease payments	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Within one year	4,167.12	3,608.60	2,049.49	2,044.56
After one year but not more than two years	3,846.39	2,888.59	1,982.10	1,577.03
After two years but not more than three years	3,619.82	2,627.65	2,002.53	1,510.82
After three years but not more than four years	3,380.24	2,469.83	2,012.89	1,541.44
After four years but not more than five years	2,975.45	2,147.79	1,859.85	1,412.16
More than five years	9,227.11	5,913.95	6,853.07	4,500.45
	27,216.13	**19,656.41**	**16,759.93**	**12,586.46**
Less: Unearned finance income	10,456.20	7,069.95	-	-
Present value of minimum lease payments receivable	16,759.93	12,586.46	16,759.93	12,586.46
	27,216.13	**19,656.41**	**16,759.93**	**12,586.46**

Particulars	March 31, 2024	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	10.82% - 18.29%	10.82% - 14.93%

b) Operating lease - where the Company is a lessor

The Company has installed briquetting machines at one of the supplier's locations under an agreement that these machines shall be used exclusively for manufacture of briquettes to be sold to the Company at the minimum quantity and rate as defined as per the agreement. The supplier shall be obligated to pay an agreed amount of royalty to the Company for the amount of purchases. The Company has determined, that fulfilment of this arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use this specific asset. Accordingly, this arrangement qualifies as an arrangement in the form of lease as specified in Ind-AS 116. However, since this arrangement can be terminated by either of the parties leading to circumstances, creating an economic incentive for the supplier to terminate the contract, this arrangement has been classified as an operating lease. Lease rentals are credited to consumption of raw material given the same is recovered by the vendor through raw material price charged by them.

	March 31, 2024	March 31, 2023
Lease rent received for the year	31.21	7.43

35 Segment information

For management purposes, the Company reports the details of operating

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

segments as a single segment for "energy and allied services". The Chief Operating Decision Maker (CODM) reviews the information for this single segment only. Accordingly, Company has provided only entity wide disclosures.

Sales revenue by geographical segment

Particulars	March 31, 2024	March 31, 2023
Revenue from external customer (gross)		
India*	45,516.25	34,790.64
Outside India	-	-
Total	**45,516.25**	**34,790.64**

*Revenue of Rs.12,408.61 was derived from two customers that individually contributed more than 10% of total revenue in the current year and Rs. 9,788.64 was derived from two customers that individually contributed more than 10% of total revenue in the previous year.

Carrying amount of non current assets

Particulars	March 31, 2024	March 31, 2023
Assets within India	357.44	166.15
Assets outside India	-	-
Total	**357.44**	**166.15**

Addition to non current assets

Particulars	March 31, 2024	March 31, 2023
Assets within India	235.54	73.94
Assets outside India	-	-
Total	**235.54**	**73.94**

36 Key financial ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	Variance	Reason for variance
Current Ratio	Current assets	Current liabilities	2.29	2.96	-22.64%	
Debt-Equity Ratio	Total debt i.e. Borrowings (Current+Non current)	Shareholder's equity	0.55	0.59	-6.78%	
Debt service coverage ratio	Earnings available for debt service ^	Debt service *	1.30	1.00	30.00%	Increase in earnings in current year due to commissioning of new sites as compared to previous year and improvement in gross margin.
Return on equity ratio	Profit after tax	Average shareholder's equity	0.14	0.11	27.27%	Increase in profit after tax in current year due to commissioning of new sites as compared to previous year and improvement in gross margin.
Inventory turnover ratio	Cost of goods sold#	Average inventories	3.28	3.31	-0.91%	
Debtors turnover ratio	Revenue from contracts with customers	Average trade receivables	11.09	10.75	3.16%	
Trade payables turnover ratio	Total supplier purchases##	Average trade payables	12.39	11.14	11.22%	
Net capital turnover ratio	Revenue from contracts with customers	Working capital **	3.14	2.51	25.10%	Increase due to significant increase in revenue from operation in current year while having working capital on similar lines.
Net profit ratio	Profit after tax	Revenue from contracts with customers	0.06	0.05	20.00%	
Return on capital employed (ROCE)	Profit before tax + finance cost	Capital employed ***	0.13	0.11	18.18%	
Return on investment (ROI)	Profit after tax	Shareholder's equity	0.12	0.10	20.00%	

Explanations:

^ Profit after tax + Finance cost + Depreciation and amortization for the year

* Repayment of borrowings + Interest paid

** Total current assets - Total current liabilities

*** Total equity + Total Debt + Deferred tax liability - Intangible Assets

#Cost of raw materials and components consumed + Purchase of traded goods + Changes in inventories of work-in-progress and traded goods

##Purchase of raw materials and components (refer note 22(a)) + Purchase of traded goods + Operating expenses (staff welfare and other expenses) incurred during the year.

37 Share based payments

Employees Stock Option Plan 2021 (ESOP 2021)

The Parent Company approved Employee Stock Option Plan at their meeting in January 2022. Pursuant to this approval, the Parent Company instituted ESOP 2021 Plan in January 2022. The compensation committee of the Parent Company administers this Plan. Each option carries with it the right to purchase one equity share of the Parent Company. The Options have been granted to employees of the Company 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	March 31, 2024		March 31, 2023	
	No. of options	Weighted average exercise price per share (Rs.)	No. of options	Weighted average exercise price per share (Rs.)
Options outstanding at the beginning of the year	-	-	-	-
Granted during the year	599	15.25	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	599	15.25	-	-
Options exercisable at the end of the year	-	-	-	-

There were no options exercised during the year.

The weighted average remaining contractual life is as follows:

Particulars	March 31, 2024	March 31, 2023
Exercise price	Rs. 15.25 per share	-
Weighted average contractual life (years)	5 Years	-
No. of Options Outstanding	599	-

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	March 31, 2024	March 31, 2023
1. Exercise price (Rs.)	15.25	-
2. Price of underlying share in the market at the time of option grant	Rs. 2,415.85	-
3. Weighted average fair value of options granted (Rs)	Rs. 2,379.45	-
4. Expected life of the option (years)	5.00	-
5. Risk free interest rate (%)	7.05%	-
6. Expected volatility (%)	13.14%	-
7. Dividend yield (%)	0.48%	-

The Company recorded an employee compensation cost of Rs. 7.63 (March 31, 2023 : Rs Nil) 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.

38 The Company has issued following corporate guarantee on behalf of subsidiary.

Name of the party	March 31, 2024		March 31, 2023	
	Foreign currency (Million)	Amount (INR)	Foreign currency (Million)	Amount (INR)
Thermax Energy & Environment Lanka (Pvt) Ltd	USD 1	833.41	-	-

The above guarantee has been issued for the purpose of various banking facilities for the subsidiary

39 Other Statutory Information:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company 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,

(vi) 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).

(vii) Other than as disclosed in the note 6(a), the Company has 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.

40 Compliance with section 143 (3) for maintenance of books of account

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 and records pertaining to employee reimbursement system maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

41 The Company 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

Notes to the Standalone Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

recorded in the software. However, except for vendor master, the audit trail feature is not enabled for changes made to master data in Oracle and changes made to the Oracle Database 19c using privileged/ administrative access rights. Further no instance of audit trail feature being tampered with was noted in respect of accounting software.

42 Exemption availed under Ind AS 110

As the consolidated financial statements are presented by the entity's holding Company, the entity has elected to apply the exemption available to it under Ind AS 110 and has opted to present only standalone financial statements.

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Sumit Kumar Agrawal
Partner
Membership No: 135859

Date: May 02, 2024
Place: Pune

For and on behalf of the Board of Directors of
Thermax Onsite Energy Solutions Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN: 01308831

Khushboo Bhatia
Chief Executive Officer

Kajal Kabra
Company Secretary

Deepak Joshi
Chief Financial Officer

Date: May 02, 2024
Place: Pune

THERMAX COOLING SOLUTIONS LIMITED

Board of Directors
Sunil Raina (upto April 10, 2024)
Kirtiraj Jilkar
Sandeep Deshpande
Bhavesh Chheda (w.e.f April 9, 2024)

Registered Office
Thermax House,
14, Mumbai – Pune Road, Wakdewadi,
Pune – 411003

Auditors
B K Khare & Co
Chartered Accountants
706/708, Sharda Chambers, New
Marine Lines, Mumbai – 400 020, India

Key Managerial Personnel
Ravi Shewade (Manager) (upto May 2, 2024)
Ajit Sharma (Chief Financial Officer)
Karan Parakh (Company Secretary)

Bankers
Corporation Bank
ICICI Bank

Corporate Office
Sai Chambers
15, Mumbai – Pune Road, Wakdewadi,
Pune - 411003

DIRECTORS' REPORT

Dear Shareholders,

The Directors present their Fifteenth Annual Report of the company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total income	-	2502.73
Profit/(Loss) before depreciation	**(3.37)**	242.74
Depreciation and Amortisation	-	10.50
Profit/(Loss) before tax	**(3.37)**	232.24
Provision for taxation (incl. deferred tax)	-	10.97
Profit/(Loss) after tax	**(3.37)**	221.27

STATE OF COMPANY'S AFFAIRS

The company is a wholly owned subsidiary of Thermax Limited.

The Board of Directors of the Company at their meeting held on December 20, 2022 had approved Scheme of Arrangement between the Company and Thermax Instrumentation Limited (TIL/Resulting Company) and their Shareholders (Scheme) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. The Scheme provides for Demerger of Cooling Business (Demerged Undertaking) (as defined in the Scheme) from the Company into the Resulting Company on a going concern basis. This Scheme was approved by Creditors of the Company at their meeting held on Tuesday, March 14, 2023 with requisite majority.

The Scheme has been approved by Hon'ble National Company Law Tribunal (NCLT), Mumbai through its order dated December 20, 2023. The Company filed INC-28 for the said scheme on January 17, 2024 and hence the scheme became effective since January 17, 2024. Pursuant to such scheme, the paid up share capital of the Company shall stand reduced from Rs. 20 crore divided into 2,00,00,000 shares of Rs. 10/- each, to 10 crore divided into 2,00,00,000 shares of Rs. 5/- each. The Resulting company has issued 17,00,000 10% redeemable preference of face value Rs. 100/- each to the equity shareholders of your Company. The Cooling business of the Company has been demerged and transferred to the resulting Company i.e. Thermax Instrumentation Limited from the effective date pursuant to such order.

MATERIAL CHANGES AFFECTNG FINANCIAL POSITION OF THE COMPANY

No material changes and commitments occurred after the close of the year till the date of this report, which affect the financial position of the Company.

CHANGE IN NATURE OF BUSINESS

During the year under review, the Cooling Business of your Company was transferred to the Resulting Company pursuant to the Demerger order passed by the Hon'ble NCLT. The Board of Directors has approved amendment to the Object Clause of the Memorandum of Association (MoA) of the Company and change in name of the Company which is subject to approval of Shareholders and other regulatory authorities, as may be required. The said proposals forms part of the Notice convening Annual General Meeting of the Company.

HEALTH & SAFETY

Safety and health at offices and project sites are of paramount importance for your company. All executed projects so far are with "Zero loss time injury". All sites are equipped with necessary safety gears for the people working on sites. The current projects under execution are following all the government and company norms and protocols of social distancing at the customer sites.

DIVIDEND

In view of the accumulated losses the directors do not recommend any dividend during the year.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The company does not proposes to transfer any amount to general reserve.

SHARE CAPITAL

The Paid up Share Capital of the Company is Rs. 10 crores divided into 2 crores equity shares of Rs. 5/- each. Pursuant to the Demerger order passed by Hon'ble National Company Law Tribunal (NCLT), Mumbai, the paid up share capital of the Company has been reduced from Rs. 20 crores divided into 2 crore equity shares of Rs. 10/- each to Rs. 10 crores divided into 2 crores equity shares of Rs. 5/- each. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

PUBLIC DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013. Consequently, it has no unpaid / unclaimed deposit(s) as on March 31, 2024.

PARTICULARS OF LOAN GUARANTEE AND INVESTMENT

During the year company has not given loans, guarantees and investments covered under the provisions of Section 186 and Section 134(3) (g) of Companies Act 2013.

SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANY

Your Company does not have any Subsidiary / Associate / Joint Venture company and there was no change in the position during the financial year 2023-24.

BUSINESS RISK MANAGEMENT

The company has identified and classified its key risks pertaining to the core business and has a broad framework in place for effective risk identification, review and mitigation. The company will continue to actively monitor and strengthen its risk management framework. The company had implemented Legatrix software to track & ensure timely statutory compliances. Same is also followed in current year.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal financial controls are reviewed by finance department on periodical basis. Authority Matrix in line with holding company's levels of authority is implemented with board's approval during current year. Internal Audit is not applicable for the company as per section 138 of Companies Act and Rule 13 of the Companies (Accounts) Rules, 2014.

DIRECTORS

Currently, the Board of the company comprises three Directors. In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, Mr. Sandeep Deshpande retires by rotation, and being eligible, offers himself for re-appointment as director.

The Members of the Company at their 14th Annual General Meeting held on July 25, 2023 approved the appointment of Mr. Sandeep Deshpande (DIN: 09748806). Further, based on the nomination received from the Holding Company, the Board of Directors through circular resolution passed on April 9, 2024 appointed Mr. Bhavesh Chheda (DIN: 08558510) as an Additional Director of your Company. Mr. Bhavesh Chheda holds office as an Additional Director up to the date of the ensuing Annual General Meeting. Subject to the approval of Members at the ensuing15th Annual General Meeting, it is proposed to appoint Mr. Bhavesh Chheda as Director of the Company.

Further, Mr. Sunil Raina (DIN: 09160928), resigned from the Directorship of the Company, effective from April 10, 2024.

CHANGE IN KEY MANAGERIAL PERSONNEL (KMP)

There were no changes in Key Managerial Personnel during the year. However, Mr. Ravi Shewade, Manager of the Company completed his term as Manager on May 2, 2024.

BOARD MEETINGS

During the year, the Board met four times and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. Attendance details of the Board are as follows:

Name	Board Meetings			
	May 8, 2023	July 25, 2023	October 27, 2023	January 29, 2024
Mr. Sunil Raina	P	P	P	A
Mr. Kirtiraj Jilkar	A	P	A	P
Mr. Sandeep Deshpande	P	P	P	P

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 may be amended from time to time.

AUDITORS

M/s SRBC & CO. LLP Chartered Accountants (Firm Registration No.324982E/E300003) resigned as Statutory Auditors of the Company with effect from July 21, 2023. Pursuant to such resignation, M/s B.K. Khare & Co. (Firm Registration 105102W) were appointed as casual vacancy auditors at Extra-Ordinary General Meeting held on October 18, 2023. The term of M/s. B.K. Khare & Co as casual vacancy auditors is valid upto the ensuing Annual General Meeting (AGM) of the Company. The Board of Directors of the Company at its meeting held on May 6, 2024 have recommended appointment of M/s B. K. Khare & Co. as the Statutory Auditors of the Company for a term of five years from the conclusion of Fifteenth Annual General Meeting until the conclusion of the Twentieth Annual General Meeting for the approval of the shareholders of the Company. The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

DETAILS REGARDING FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF THE COMPANIES ACT, 2013

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the Financial Statements.

CONSERVATION OF ENERGY

Your Company is in the business of providing energy efficient heat dissipation solutions. Air Cooled Condenser, helps the Company's customers to reduce treated water consumption in coal based power plants.

TECHNOLOGY ABSORPTION

There was no technology acquisition and absorption during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to foreign exchange earnings and outgo as per Section 134 (3) (m) of the Companies Act, 2013 is as given below:

(Rs. in Lakh)

Particulars	31-March-24	31-March-23
Earnings		
Revenue	-	1.98
Expenditure		
Royalty	-	-
Purchase of Material	-	682.73
Capital Expenditure		-
Net	-	**(680.75)**

PARTICULARS OF EMPLOYEES

None of the employees are covered by the provisions contained in rule 5(2) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide a safe and conducive work environment to its employees. The Company has a duly constituted Internal Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no cases pending at the beginning of the year / filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year there were no applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016.

Details of difference between the amounts of valuation at the time of one time settlement and the valuation done at the time of taking a loan from the banks of financial institutions along with the reasons thereof :

During the year under review, there is no instance of one-time settlement with any Bank or Financial Institution.

COST RECORDS APPLICABILITY

The provisions relating to maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 were not applicable on the Company during the financial year.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the support extended by the company's customers, vendors and bankers during the year and look forward to their continued support in the future as well.

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

	Sandeep Deshpande	**Bhavesh Chheda**
Place: Pune,	Director	Director
Date: May 6, 2024	DIN: 09748806	DIN: 08558510

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Cooling Solutions Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Thermax Cooling Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our 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 for the 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 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 financial 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 system 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 the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 controls 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.

Other Matters :

The Financial Statements of the Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 08, 2023.

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 in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) 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.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) Based on the records examined by us and according to information and explanations given to us, the Company has not paid/provided for managerial remuneration. Hence, the provisions of Section 197 of the Act related to managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of 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 does not have any pending litigations which would impact on its financial statements.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were 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, 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;

      (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;

      (v) The Company has not declared/paid/declared and paid any dividend during the year; and

      (vi) Based on our examination which included test checks, the Company has used an 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 that, audit trail feature is not enabled for certain transactions including master data. And direct changes to data when using certain privileged access rights as described in note 36 of the 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 accounting software wherever these elements are enabled.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

per **Amit Mahadik**
Partner
Membership No. 125657
UDIN: UDIN: 24125657BKESND5511

Place of Signature: Pune
Date: May 6, 2024

Annexure A to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements 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 financial statements of the Company as of March 31, 2024 in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to 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 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements 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 issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

per **Amit Mahadik**
Partner
Membership No. 125657
UDIN: UDIN: 24125657BKESND5511

Place of Signature: Pune
Date: May 6, 2024

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

Re: Thermax Cooling Solutions Limited ('the Company')

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have intangible assets on the reporting date. Thus, reporting under clause 3(i)(a)(B) of the order is not applicable to the Company.

(b) The Company did not verify property, plant and equipment during the year but a regular program for physical verification of its property, plant and equipment is there which in our opinion is reasonable having regard to the size of the Company and nature of its property, plant and equipment.

(c) According to the information and explanations given to us, the Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee).

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, the Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, the Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the act. Accordingly, reporting under clause 3(xiv) is not applicable to the company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company and subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 3.37 lakhs in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year. However, there are no issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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 [Refer note 37 of the Financial Statements]. 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) The provisions of Section 135 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

per **Amit Mahadik**
Partner
Membership No. 125657
UDIN: UDIN: 24125657BKESND5511

Place of Signature: Pune
Date: May 6, 2024

THERMAX COOLING SOLUTIONS LIMITED

Balance Sheet as at March 31, 2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
I. Non-current assets			
Property, plant and equipment	4(a)	0.04	1.08
Intangible assets	4(b)	-	2.30
Financial assets:			
(a) Other assets	5 (a)	-	2.70
Income tax assets (net)		-	8.50
Other assets	6 (a)	-	27.56
Total non-current assets		**0.04**	**42.14**
II. Current assets			
Inventories	7	-	124.94
Financial assets:			
(a) Trade receivables	8	-	400.10
(b) Cash and cash equivalents	9 (a)	1.25	10.25
(c) Bank balances other than (b) above	9 (b)	-	1,317.26
(d) Other financial assets	5 (b)	-	19.37
Other assets	6 (b)	10.35	11.90
Total current assets		**11.60**	**1,883.82**
Total assets		**11.64**	**1,925.96**
III. Equity and liabilities			
Equity share capital	10	1,000.00	2,000.00
Other equity	11	(1,004.88)	(1,123.19)
Total equity		**(4.88)**	**876.81**
IV. Current liabilities			
Financial liabilities:			
(a) Trade payables	12		
Total outstanding dues of micro and small enterprises		-	214.59
Total outstanding dues of creditors other than micro and small enterprises		2.61	211.58
(b) Other financial liabilities	13	12.40	112.61
Provisions	14	1.22	75.90
Other liabilities	15	0.29	428.88
Income tax liabilities (net)		-	5.59
Total current liabilities		**16.52**	**1,049.15**
Total equity and liabilities		**11.64**	**1,925.96**

Summary of material accounting policies 2
Summary of significant accounting judgements, estimates and assumptions 3
The accompanying notes are an integral part of the financial statements.

Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Income			
Revenue from operations	16	-	2,444.29
Other income	17	-	58.44
Total Income (I)		**-**	**2,502.73**
Expenses			
Projects bought outs and components consumed	18a	-	1,543.77
Purchase of traded goods	18b	-	13.68
(Increase) / decrease in inventories	19	-	244.71
Employee benefits expense	20	0.47	227.97
Finance cost	21	-	4.76
Depreciation and amortisation expense	22	-	10.50
Other expenses	23 (a)	2.90	225.10
Total expenses (II)		**3.37**	**2,270.49**
Profit before tax (III) = (I-II)		**(3.37)**	**232.24**
Tax expense	24		
Current tax		-	10.97
Deferred tax			-
Total tax expense (IV)		**-**	**10.97**
Profit for the year (V) = (III - IV)		**(3.37)**	**221.27**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Gain on re-measurement of defined benefit plans	25	0.46	2.61
Less: Income tax effect			
Total other comprehensive income for the year (VI)		**0.46**	**2.61**
Total comprehensive income for the year (VII) = (V) + (VI)		**(2.91)**	**223.88**
Earning per equity share (Basic and Diluted) [Nominal value per share Rs.5/- (March 31, 2023: Rs 10/-)]	26	**(0.02)**	**1.11**

Summary of material accounting policies 2

Summary of significant accounting judgements, estimates and assumptions 3

The accompanying notes are an integral part of the financial statements.

For B. K. Khare & Co
Chartered Accountants
ICAI Firm Registration No.: 105102W

Amit Mahadik
Partner
Membership No. 125657

Place: Pune
Date: May 06, 2024

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

Bhavesh Chheda
Director
DIN: 08558510

Sandeep Deshpande
Director
DIN: 09748806

Ajit Sharma
Chief Financial Officer

Karan Parakh
Company Secretary

Place: Pune
Date: May 06, 2024

Statement of Changes in Equity for the year ended March 31, 2024

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

A Equity Share Capital^

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	10	2,000.00	2,000.00
Changes in equity shares paid up value	10	(1,000.00)	-
Balance at the end of the year	**10**	**1,000.00**	**2,000.00**

B Other Equity^

Particulars	Reserves & Surplus
	Retained Earnings
As at March 31, 2022	**(1,347.07)**
Profit for the year (including profit from discontinued operations)	221.27
Other Comprehensive Income	2.61
Total comprehensive income	**223.88**
As at March 31, 2023	**(1,123.19)**
Reduction of paid share capital of Rs 2000/- lacs to Rs 1000/- lacs	1,000.00
Loss arising on demerger of ACC business (refer note 37)	(878.78)
Retained earning transferred to Thermax Instrumentations Limited	-
Profit for the year	(3.37)
Other Comprehensive Income	0.46
Total comprehensive income	**118.31**
As at March 31, 2024	**(1,004.88)**

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

Cash flow statement for the year ended March 31, 2024

(All amounts are in Rupees Lakhs , except stated otherwise)

	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
A)	**Cash flows from operating activities**			
	Profit/(loss) before tax from continuing operations		(3.37)	232.24
	Adjustment on account of demerger of ACC business	37	(878.78)	-
	Adjustments to reconcile profit before tax to net cash flows			
	Depreciation and amortisation expense	22	-	10.50
	Provision for impairment allowance of financial asset (net)	23(a)	-	(3.11)
	Bad debts written off	23(a)	-	33.08
	Loss on sale / discard of assets (net)	23(a)	-	0.10
	Liabilities no longer required written back	17	-	(14.87)
	Interest expense	21	-	-
	Interest income	17	-	(43.57)
	Working capital adjustments*			
	Decrease in trade receivables		400.10	347.28
	Decrease / (increase) in inventories		124.94	119.77
	(Increase) / decrease in other financial assets		19.37	(19.37)
	Decrease in other assets		31.81	50.40
	(Decrease) in trade payables		(423.56)	(169.19)
	Increase / (decrease) in other financial liabilities		(100.21)	46.90
	(Decrease) in provisions		(74.22)	(54.53)
	(Decrease) in other liabilities		(428.59)	(393.34)
	Increase / (decrease) in other non-current financial liabilities			
	Net Cash generated from operations (A)		**(1,332.51)**	**142.29**
	Direct taxes refund / (paid) (net)*		2.91	4.21
	Net cash flow from operating activities		**(1,329.60)**	**146.50**
B)	**Cash flows from investing activities**			
	Sale / (Purchase) of Property, plant and equipment and Intangible assets (net)*		3.34	**0.49**
	Interest/dividend received		-	43.57
	(Investment in) / proceeds from bank investment (net)*		1,317.26	(259.59)
	Net cash flow from / (used in) investing activities (B)		**1,320.60**	**(215.53)**
C)	**Cash flows from financing activities**			
	(Repayment) of short term borrowings		-	-
	Interest paid		-	-
	Net cash flow (used in) financing activities (C)		**-**	**-**
	Net increase in cash and cash equivalents		**(9.00)**	**(69.03)**
	Cash and cash equivalents at the beginning of the year		10.25	79.28
	Cash and cash equivalents at the end of the year		**1.25**	**10.25**

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

	Note No.	March 31, 2024	March 31, 2023
Cash and cash equivalents	9 (a)	1.25	10.25
Balances as per cash flow statement		**1.25**	**10.25**

* Cash flow adjustment for the year ended March 31, 2024 is mainly on account of demerger activity of ACC business.

For B. K. Khare & Co
Chartered Accountants
ICAI Firm Registration No.: 105102W

Amit Mahadik
Partner
Membership No. 125657

Place: Pune
Date: May 06, 2024

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

Bhavesh Chheda
Director
DIN: 08558510

Sandeep Deshpande
Director
DIN: 09748806

Ajit Sharma
Chief Financial Officer

Karan Parakh
Company Secretary

Place: Pune
Date: May 06, 2024

1. Corporate information

Thermax Cooling Solutions Limited ('the Company') supplies Air Cooled Condensers [ACC] which are widely used on turbine exhaust application with a view to reduce water consumption in power generation. The Company's remaining business includes electrostatic precipitators (ESP), Regenerative Air Preheaters and related services.

The Company is a public limited company incorporated and domiciled in India. The address of its registered office is Thermax House, 14, Mumbai – Pune Road, Wakdewadi, Pune - 411003, India. The Board of Directors have authorized to issue these financial statements on May 06, 2024. The CIN of the Company is U29299PN2009PLC134761.

2. Material accounting policies

2.1. Basis of preparation, measurement

(a) Basis of preparation

These 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 requirement od Division II of Schedule III to the Companies Act, 2013 (Act) as applicable to the financial statements.

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

(b) Basis of measurement

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- 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 Company classifies all other liabilities as non-current.

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 financial statements are prepared in Rupees, which is the also 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 recognized in the Statement of profit and loss.

c. Fair value measurement

The Company measures financial instruments 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Material accounting policies for Financial instruments (Note no. 2.2 (h)
- Financial instruments and valuation techniques

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts. At present, the impact of climate-related matters is not material to the Company's financial statements.

d. Property, Plant and Equipment

Property, plant and equipment (PPE) is 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 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:

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Computers and data processing units	3	3 to 6
Plant and equipment	5	15 to 20
Office equipment	5	15
Furniture and fixtures	10	10

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.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized 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 recognized in the Statement of profit and loss when the asset is derecognized.

A summary of amortization rates applied to the Company's intangible assets is as below:

Asset category	Life (years)
Computer software	3

f. Inventories :

Raw materials, components, bought outs are valued at lower of cost and estimated net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Finished goods and work in progress are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realizable 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.

g. Revenue recognition

i. 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 recognized when it has approval and commitment from both the parties, the right of the parties is identified, the 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 its revenue arrangements as it has pricing latitude and is also exposed to credit risk. The Company collects goods and service tax on behalf of government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized. The Company has following steams of revenue:

- ***Revenue from Engineering, Procurement and Construction contracts***

Engineering, Procurement and Construction (EPC) contracts are contracts 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 assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over a period of time if any of the following criteria is met:

i. The customer simultaneously consumes the benefits as the Company performs, or

ii. The customer controls the work-in-progress, or

iii. 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

If none of the criteria above are met, the Company recognized 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 recognizes revenue over time as it performs because of continuous transfer of control to the customer. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customer typically controls 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 to the Company.

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 fees or 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 recognized 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 recognized 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 recognizes the expected losses from onerous contract as an expense immediately. Penalties for any delay or improper execution of a contract are recognized as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

On the balance sheet date, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognized profits (less recognized losses) exceed progress billings; a contract represents a liability where the opposite is the case.

- ***Revenue from Sale of goods***

If the criteria for revenue under over-a-period of time as mentioned above are not met, the Company recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally 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 12 – 24 months on its products sold, in line with the industry practice. A liability is recognized at the time the product is sold. The Company does not provide any extended warranties.

Contract balances

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.

Trade receivables: 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). Also refer note 2.3(h) below.

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.

ii. Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. Interest income is included in the other income in the Statement of profit and loss.

iii. Dividend

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

h. 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

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset. For purposes of subsequent measurement, financial assets are classified in following categories:

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income under EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instruments as at FVTPL.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) 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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments at amortised costs; e.g. loans, deposits, trade receivables and bank balance.

The Company follows simplified approach. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss 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 recognizing impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss. 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.

Financial liabilities

Initial recognition and measurement

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 recognized 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.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the Statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of profit and loss. The Company has not designated any financial liability as at fair value through Statement of profit and loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the Statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

i. Cash and cash equivalents

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 Company's cash management.

j. Income tax

Current income-tax

Current income 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside statement of profit or loss is recognized outside statement of profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 and the same taxation authority.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

k. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognized 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.

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).

l. 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 recognizes 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 recognized 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 recognized 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 recognized 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 recognized in the Statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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

m. Earnings Per Share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Revenue from contracts with customers

A significant portion of the Company's business relates to project contracts which is accounted using cost-based input method, recognizing 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 judgements of the extent of progress towards completion including accounting of multiple contracts which need to be combined and considered as a single contract.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. EPC contracts:

- **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 recognized 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 recognized.
- **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
- **Provision for onerous contracts:** The Company provides for future losses on 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.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount, these assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

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

ii. Defined benefit plans - 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.

iii. 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.

iv. Impairment of financial assets

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 categorizes 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.

4 (a) Property, Plant and Equipment

Particulars	Computer	Office Equipment	Furniture & Fixtures	Plant & Machinery	Total
Gross carrying amount as at March 31, 2022	**11.36**	**0.21**	**0.02**	**1.31**	**12.90**
Additions	-	-	-	-	-
Disposals	(0.59)	-	-	-	(0.59)
Gross carrying amount as at March 31, 2023	**10.77**	**0.21**	**0.02**	**1.31**	**12.31**
Additions	-	-	-	-	-
Disposals / Transfer as per demerger scheme	(9.89)	(0.21)	(0.02)	(1.31)	(11.43)
Gross carrying amount as at March 31, 2024	**0.88**	**-**	**-**	**-**	**0.88**
Closing accumulated depreciation as at March 31, 2022	**9.83**	**0.14**	**-**	**1.22**	**11.19**
Charge for the year	0.01	0.03	-	-	0.04
Disposals	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2023	**9.84**	**0.17**	**-**	**1.22**	**11.23**
Charge for the year	-	-	-	-	-
Disposals / Transfer as per demerger scheme	(9.00)	(0.17)	-	(1.22)	(10.39)
Closing accumulated depreciation as at March 31, 2024	**0.84**	**-**	**-**	**-**	**0.84**
Net block March 31, 2024	**0.04**	**-**	**-**	**-**	**0.04**
Net block March 31, 2023	**0.93**	**0.04**	**0.02**	**0.09**	**1.08**

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

4 (b) Intangible assets

Particulars	Computer Software	Total
Gross carrying amount as at March 31, 2022	**42.91**	**42.91**
Additions	-	-
Disposals	-	-
Gross carrying amount as at March 31, 2023	**42.91**	**42.91**
Additions	-	-
Disposals / Transfer as per demerger scheme	(42.91)	(42.91)
Gross carrying amount as at March 31, 2024	**-**	**-**
Closing accumulated amortisation as at March 31, 2022	**30.15**	**30.15**
Charge for the year	10.46	10.46
Disposals	-	-
Closing accumulated amortisation as at March 31, 2023	**40.61**	**40.61**
Charge for the year	-	-
Disposals / Transfer as per demerger scheme	(40.61)	(40.61)
Closing accumulated amortisation as at March 31, 2024	**-**	**-**
Net block March 31, 2024	**-**	**-**
Net block March 31, 2023	**2.30**	**2.30**

Notes to financial statements for the year ended March 31, 2024
((All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

5 Other Financial assets

(a) Other non current finacial assets

	As at March 31, 2024	As at March 31, 2023
Security deposits	-	2.70
Total	**-**	**2.70**

(b) Other current finacial assets

	As at March 31, 2024	As at March 31, 2023
At amortized cost		
Unbilled revenue (Contract assets)	-	19.37
Total	**-**	**19.37**

The following table summarises the change unbilled revenue

	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	19.37	-
Transferred under scheme of demerger (refer note 37)	(19.37)	
Invoice during the year	-	-
Addition during the year	-	19.37
At the end of the year	**-**	**19.37**

6 Other assets

(a) Other non-current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Balances with government authorities	-	27.56
Total	**-**	**27.56**

(b) Other current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Advance to supplier	-	8.35
Advances to employee	-	0.96
Other Amounts Recoverable	10.35	-
Prepaid expenses	-	2.59
Total	**10.35**	**11.90**

There were no advances due by directors or other 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 any director is a partner or a member.

7 Inventories

	As at March 31, 2024	As at March 31, 2023
Components and bought-outs*	-	124.94
Work-in-progress	-	-
Finished goods#	-	-
Total	**-**	**124.94**

* includes inventory with third party of Rs. Nil (March 31, 2023 : Rs. 124.94)

8 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Trade Receivables from:		
i) Related parties (refer note 29(d))	-	227.27
ii) Others	-	172.83
Total	**-**	**400.10**
Break-up for security details:		
Secured, considered good	-	173.29
Less: Impairment allowance	-	-
Total (A)	**-**	**173.29**
Unsecured, considered good	-	237.21
Less: Impairment allowance	-	(10.40)
Total (B)	**-**	**226.81**
Trade Receivables which have a significant increase in credit risk	-	-
Less: Impairment allowance	-	-
Total (C)	**-**	**-**
Trade Receivables - credit impaired	-	68.88
Less: Impairment allowance	-	(68.88)
Total (D)	**-**	**-**
Total (A) + (B) + (C) + (D)	**-**	**400.10**

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

Particulars	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	
As at March 31, 2024							
(i) Undisputed Trade Receivables-considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: impairment allowance							-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes to financial statements for the year ended March 31, 2024
((All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Particulars	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	
As at March 31, 2023							
(i) Undisputed Trade Receivables- considered good	4.24	283.64	102.65	19.97	-	-	**410.50**
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	68.88	**68.88**
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
Subtotal	**4.24**	**283.64**	**102.65**	**19.97**	**-**	**68.88**	**479.38**
Less: impairment allowance							**(79.28)**
Total	**4.24**	**283.64**	**102.65**	**19.97**	**-**	**68.88**	**400.10**

The following table summarises the change unbilled receivables

	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	19.37	-
Invoice during the year	-	-
Transferred under scheme of demerger (refer note 37)	(19.37)	
Addition during the year	-	19.37
At the end of the year	**-**	**19.37**

The following table summarises the change in impairment allowance measured using the life time expected credit loss model :

	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	79.28	82.39
Provisions made during the year		10.40
Utilized/reversed during the year		(13.51)
Transferred under scheme of demerger (refer note 37)	(79.28)	
At the end of the year	**-**	**79.28**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any of the trade receivable are 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 29(f).

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

9 (a) Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
At amortized cost		
Balances with banks		
- in current accounts	1.25	10.25
Total	**1.25**	**10.25**

9 (b) Other bank balances

	As at March 31, 2024	As at March 31, 2023
At amortized cost		
Deposits with original maturity of more than 3 months but less than 12 months	-	1,317.26
Total	**-**	**1,317.26**

10 Share capital

	As at March 31, 2024	As at March 31, 2023
Authorized shares (Nos)		
100,000,000 (March 31, 2023 : 50,000,000) Equity Shares of Rs 5 /- each. (March 31, 2023 Rs 10/- each)	5,000.00	5,000.00
	5,000.00	**5,000.00**
Issued, subscribed and fully paid share capital (Nos)		
20,000,000 (March 31, 2023 : 20,000,000) Equity Shares of Rs 5 /- each. (March 31, 2023 of Rs 10/- each)	1,000.00	2,000.00
Total issued, subscribed and fully paid-up share capital	**1,000.00**	**2,000.00**

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

Particulars	Borrowings
Equity share of Rs. 5/- each (March 31, 2023 Rs 10/- each) issued, subscribed and fully paid	
At March 31, 2022	**20,000,000**
Changes during the year	-
At March 31, 2023	**20,000,000**
Changes during the period	-
At March 31, 2024	20,000,000

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a face value of Rs. 5 per share (March 31, 2023 Rs. 10 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. 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 ultimate holding / holding company

	As at March 31, 2024	As at March 31, 2023
Holding company		
Thermax Limited*	1,000.00	2,000.00
20,000,000 (March 31, 2023: 20,000,000) equity shares of Rs. 5/- each (March 31, 2023 of Rs 10/- each) fully paid		

Notes to financial statements for the year ended March 31, 2024

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

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

	As at March 31, 2024	As at March 31, 2023
Thermax Limited*		
%	100.00	100.00
No. of shares	20,000,000	20,000,000

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.

*Includes 6 shares (March 31, 2023: 6 shares) held by nominee shareholders.

11 Other equity

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Retained earnings		
Opening balance	(1,123.19)	(1,347.07)
Add: Gain on Demerger (Transfer of Assets over Liabilities) (refer note 37)	(878.78)	
Add: Reduction of paid share capital of Rs 2000 lacs to Rs 1000 lacs	1,000.00	
Add: Profit for the year	(3.37)	221.27
Less: Dividends paid		
Less: Tax on dividend		
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurements gain of post-employment benefit obligations	0.46	2.61
Net (deficit) in the statement of profit and loss	**(1,004.88)**	**(1,123.19)**
Total	**(1,004.88)**	**(1,123.19)**

12 Trade payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	-	214.59
Total outstanding dues of creditors other than micro and small enterprises		
(i) Related parties (refer note 29(d))	-	-
(ii) Others	2.61	211.58
	2.61	**211.58**
Total	**2.61**	**426.17**

For terms and conditions relating to related party payables, refer note 29(f).

Trade payables are non-interest bearing and are generally on terms of 30 to 90 days.

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
1. 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	-	203.96
- Interest due thereon	-	0.61
2. The amount of payment made to the supplier beyond the appointed day during the year	-	651.41
3. 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	-	4.15
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	4.76
5. 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	-	10.63

The ageing of current trade payables which are due for payment :

Particulars	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	
As at March 31, 2024						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**
Unbilled trade payable*						**2.61**
Total						**2.61**

Particulars	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	
As at March 31, 2023						
(i) MSME	86.94	127.65	-	-	-	**214.59**
(ii) Others	82.37	88.09	-	-	-	**170.46**
(iii) Disputed dues- MSME						**-**
(iv) Disputed dues- Others						**-**
Subtotal	**169.31**	**215.74**	**-**	**-**	**-**	**385.05**
Unbilled trade payable*						**41.12**
Total						**426.17**

*Includes year-end accruals.

Notes to financial statements for the year ended March 31, 2024
((All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

13 Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	-	0.92
At amortised cost		
Employee related payables	-	35.19
Other payables to group company	12.40	76.50
Total	**12.40**	**112.61**

14 Current provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 28 (a))	1.15	26.68
Provision for leave encashment	0.07	16.46
	1.22	**43.14**
Other provisions		
Provision for onerous contracts	-	2.41
Provision for warranties	-	30.35
	-	**32.76**
Total	**1.22**	**75.90**

Provision for warranties

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 upto 2 years. If warranty claim costs vary by 10% from management's estimate, the warranty provisions would be an estimated Rs. Nil higher or lower (March 31, 2023 Rs. 3.04).

Provision for onerous contracts

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.

Movement in provision

	Provision for onerous contracts
As at April 01, 2023	
Balance at the beginning	2.41
Transferred under scheme of demerger (refer note 37)	(2.41)
Additional provision recognised	-
Utilised/ Reversed	-
As at March 31, 2024	**-**
Current	-
Non-current	-
Total	**-**

15 Other liabilities

	As at March 31, 2024	As at March 31, 2023
Unearned revenue (Contract liabilities)	-	61.68
Customer advance (Contract liabilities)		
(i) Related parties (refer note 29(d))	-	149.22
(ii) Others	-	215.61
Statutory dues and other liabilities*	0.29	2.37
Total	**0.29**	**428.88**

*includes GST, tax deducted at source, professional tax, provident fund etc.

For terms and conditions with related parties, refer note 29(f).

16 Revenue from operations

(a) Revenue from contracts with customers:

	March 31, 2024	March 31, 2023
Revenue from projects and products	-	2,513.82
	-	**2,513.82**

(b) Other operating income

	March 31, 2024	March 31, 2023
Export incentive	-	-
Exchange fluctuation (loss) (net)	-	(69.53)
Total	**-**	**(69.53)**
Total revenue from operations	**-**	**2,444.29**

(c) Disclosure pursuant to Ind AS 115: Revenue from Contracts with Customers

i) Revenue by category of contracts:

	March 31, 2024	March 31, 2023
Over a period of time basis	-	2,481.01
At a point-in-time basis	-	32.81
Total revenue from contracts with customers	**-**	**2,513.82**

Revenue by geographical market:

	March 31, 2024	March 31, 2023
Within India	-	2,511.84
Outside India	-	1.98
Total revenue from contracts with customers	**-**	**2,513.82**
Other operating income	-	(69.53)
Total revenue from operations	**-**	**2,444.29**

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 8)	-	400.10
Unbilled revenue (Contract assets) (refer note 5(b))	-	19.37
Unearned revenue (Contract liabilities) (refer note 15)	-	61.68
Customer advances (Contract liabilities) (refer note 15)	-	364.83

Notes to financial statements for the year ended March 31, 2024
((All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

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 liability balance at the beginning of the period

	March 31, 2024	March 31, 2023
Unearned revenue	-	449.59
Customer advance	-	355.04

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 reporting period is presented in the table below

	March 31, 2024	March 31, 2023
Opening unbilled revenue (refer note 5(b))	19.37	-
Opening unearned revenue (refer note 15)	61.68	449.59
	(42.31)	**(449.59)**
- Transferred under scheme of demerger (refer note 37)	42.31	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	-	449.59
- Transfer of contract assets to receivable	-	(2,042.93)
- Increase in revenue as a result of changes in the measure of progress	-	2,000.59
- Impairment	-	-
- Others*	**-**	**0.03**
	-	(42.31)
Closing unbilled revenue (refer note 5(b))	-	19.37
Closing unearned revenue (refer note 15)	-	61.68
	-	**(42.31)**

* includes adjustments on account of onerous contracts, impairment allowance for the year etc.

v) Performance obligations

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.

vi) 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 and does not disclose information about its remaining performance obligations for contracts that have an original expected duration of one year or less.

	March 31, 2024	March 31, 2023
Amount of revenue yet to be recognised for contracts in progress as on March 31	-	-

vii) 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.

17 Other income

	March 31, 2024	March 31, 2023
Interest income		
Bank deposits	-	42.39
Others	-	1.18
Liabilities no longer required written back	-	14.87
Miscellaneous income	-	-
Total	**-**	**58.44**

18(a) Projects bought outs and components consumed

	March 31, 2024	March 31, 2023
Inventories at the beginning of the year	-	-
Projects bought outs and Components	-	1,668.71
	-	**1,668.71**
Inventories at the end of the year	-	(124.94)
Total	**-**	**1,543.77**

18(b) Purchase of traded goods

	March 31, 2024	March 31, 2023
Purchase of traded goods	-	13.68
Total	**-**	**13.68**

19 (Increase) / decrease in inventories

	March 31, 2024	March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	-	-
Finished goods	-	244.71
	-	**244.71**
Less: inventories at the end of the year		
Work-in-progress	-	-
Finished goods	-	-
	-	-
Total	**-**	**244.71**

20 Employee benefits expense

	March 31, 2024	March 31, 2023
Salaries,wages and bonus	0.47	203.17
Contribution to provident and other funds	-	16.97
Gratuity expense (refer note 28(a))	-	3.82
Staff welfare expenses	-	4.01
Total	**0.47**	**227.97**

21 Finance cost

	March 31, 2024	March 31, 2023
Interest expense:		
- Bank	-	-
- Others	-	4.76
Total	**-**	**4.76**

Notes to financial statements for the year ended March 31, 2024

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

22 Depreciation and amortisation expense

	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (refer note 4(a))	-	0.04
Amortisation of intangible assets (refer note 4(b))	-	10.46
Total	**-**	**10.50**

23 (a) Other expenses

	March 31, 2024	March 31, 2023
Consumption of stores and spare parts	-	0.61
Freight and forwarding charges (net)	-	137.17
Site expenses and contract labour charges	-	2.06
Drawing, design and technical service charges	-	0.65
Advertisement and sales promotion	-	0.31
Rent	-	3.97
Rates and taxes	-	22.03
Insurance	-	0.01
Repairs and maintenance : Others	-	7.13
Travelling and conveyance	-	10.01
Legal and professional fees (includes payment to auditor, refer note 23(b))	2.90	16.05
Bad debts/advances written off	-	33.08
Commission on sales	-	-
Provision for impairment allowance of financial asset (net)	-	(3.11)
Warranty expenses (net)	-	(25.19)
Loss on sale / discard of assets (net)	-	0.10
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	-	20.22
Total	**2.90**	**225.10**

(b) Payment to auditors

	March 31, 2024	March 31, 2023
As auditor:		
Audit fee	2.90	7.00
Tax audit fee	-	-
In other capacity		
Taxation matters		
Other services	-	2.00
Reimbursement of expenses	-	0.42
Total	**2.90**	**9.42**

24 Income taxes

	March 31, 2024	March 31, 2023
Current tax	-	10.97
Deferred tax	-	-
Total	**-**	**10.97**

The Company has computed the tax expense as per the tax regime announced under section 115BAA of the Income-tax Act, 1961. Accordingly, the current tax expense year ended March 31, 2024 and March 31, 2023 has been determined at the rate of 25.17%

The Company offset tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and liabilities. The Company has tax losses which arose in India of Rs. Nil (March 31, 2023: Rs. 726.59) that are available for offsetting for eight years against future taxable profits. The unabsorbed depreciation in India is Rs. Nil (March 31, 2023: Rs. Nil) that are available for offsetting without any limit subject to certains terms. Deferred tax assets has not been recognised in books because of uncertainity of future taxable profits.

25 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	Retained Earnings
During the year ended March 31, 2024	
Re-measurement gains on defined benefit plans	0.46
Total	**0.46**
During the year ended March 31, 2023	
Re-measurement gains on defined benefit plans	2.61
Total	**2.61**

26 Earning per share

	March 31, 2024	March 31, 2023
Net profit attributable to the equity shareholders of the Company	(3.37)	221.27
Weighted average number of equity shares of Rs.5/- each (March 31, 2023 Rs. 10/- each)	20,000,000	20,000,000
Basic and diluted earning per share	(0.02)	1.11

27 Lease commitments

Operating lease: Company as lessee

The Company had taken office buildings on a short term cancellable operating lease from the Holding company. The Company has also taken guest house and other equipments on a short term cancellable operating lease. There were no sub-leases.

	March 31, 2024	March 31, 2023
Lease payments for the year	-	3.97

28 (a) Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed five 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.

The fund is subject to risks like changes in assets yields. 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. 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 :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2022	**38.14**	**(13.71)**	**24.43**
Current service cost	4.08	-	4.08
Interest expense/(income)	2.35	(0.74)	1.61
Transfer in / (out)	(1.87)	-	(1.87)
Total amount recognised in Profit or Loss	**4.56**	**(0.74)**	**3.82**
Actuarial (gain)/loss from change in financial assumptions	(1.81)	(0.80)	(2.61)
Total amount recognised in Other Comprehensive Income	**(1.81)**	**(0.80)**	**(2.61)**

Notes to financial statements for the year ended March 31, 2024
((All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Moratlity charges	-	(1.04)	(1.04)
Benefits paid/ transfer out	(5.86)	5.86	-
March 31, 2023	35.03	(8.35)	26.68
Transfer under scheme of demerger (refer note 37)	(33.42)	8.35	(25.07)
Total amount after demerger	**1.61**	**-**	**1.61**
Current service cost	-	-	-
Interest expense/(income)	-	-	-
Transfer in / (out)	-	-	-
Total amount recognised in Profit or Loss	**-**	**-**	**-**
Actuarial (gain)/loss from change in financial assumptions	(0.46)		(0.46)
Total amount recognised in Other Comprehensive Income	**(0.46)**	**-**	**(0.46)**
Moratlity charges	-		-
Benefits paid/ transfer out		-	-
March 31, 2024	**1.15**	**-**	**1.15**

II The net liability disclosed above relates to funded plans are as follows :

	March 31, 2024	March 31, 2023
Present value of funded obligation	1.15	35.03
Fair value of plan assets	-	(8.35)
Net liability	**1.15**	**26.68**

III Significant assumptions

The significant actuarial assumptions were as follows :

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.20%	7.40%
Salary growth rate	7.00%	7.00%
Expected return on plan assets	7.40%	6.90%
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	12%	12%

IV Sensitivity assets

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	March 31, 2024	March 31, 2023
Discount rate		
1.00% increase	Decrease by 0.33	Decrease by 1.52
1.00% decrease	Increase by 0.35	Increase by 1.64
Future salary increase		
1.00% increase	Increase by 0.23	Increase by 1.29
1.00% decrease	Decrease by 0.23	Decrease by 1.23
Attrition rate		
1.00% increase	Decrease by 0.00	Decrease by 0.02
1.00% decrease	Increase by 0.00	Increase by 0.02

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 prior period.

Particulars	March 31, 2024	March 31, 2023
Within next 12 months	-	5.02
Between 2-5 years	1.15	25.34
Between 6-10 years	-	28.13

V The major categories of plan assets are as follows:

Particulars	March 31, 2024	March 31, 2023
Investments with Insurer (LIC of India)	-	100.00%

(b) Contribution Fund

Contributions are made to Provident Fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. Nil (March 31, 2023 Rs. 9.63)

The Company has also made contibution to super annuation funds and National Pension Scheme (NPS) amounting to Rs. Nil (March 31, 2023: Rs. 6.75)

29 Related party disclosures

(a) Parent entities

Sr No.	Particulars	Place of business/ Country of incorporation	Ownership interest		Type
			March 31, 2024	March 31, 2023	
1	RDA Holdings Private Limited	India	-	-	Ultimate holding company
2	Thermax Limited	India	100.00%	100.00%	Holding company

(b) Key Management Personnel:

Sr.No.	Name	Designation
1	Rajendran Arunachalam	Director (upto November 3, 2022)
2	B. C. Mahesh	Director (upto July 28, 2022)
3	Sunil Raina	Director (w.e.f. May 3, 2021)
4	Ravi Shewade	Manager (w.e.f. May 3, 2021)
5	Ajit Sharma	Chief Financial Officer (w.e.f. July 27, 2021)
6	Kajal Kabra	Company Secretary (upto January 25, 2023)
7	Sandeep Deshpande	Director (w.e.f. November 3, 2022)
8	Kirtiraj Jilkar	Director (w.e.f. July 28, 2022)
9	Karan Parakh	Company Secretary (w.e.f. February 2, 2023)

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

(c) Transactions with Related parties:

Particulars	As at March 31, 2024	As at March 31, 2023
Transactions during the year		
Thermax Limited:		
Revenue from contracts with customer	-	1,114.93
Rent paid	-	3.79
Miscellaneous expenses (corporate overheads)	-	15.00
Repairs and maintenance : others	-	-
Expenses recovered	-	10.26
Reimbursement of expenses	10.35	37.21

(d) Balances with related parties:

Particulars	As at March 31, 2024	As at March 31, 2023
Balances as at the year end		
Thermax Limited		
Trade receivables	-	227.27
Other Amounts Recoverable	10.35	
Customer advances	-	149.22
Other financial liability	-	76.50
Corporate guarantee received	-	1,200.00
Thermax Instumentation Limited		
Other financial liability	12.40	-

(e) KMP Remuneration*

Particulars	As at March 31, 2024	As at March 31, 2023
Ravi Shewade	-	30.78
Ajit Sharma	-	17.01
Kajal Kabra	-	6.37

*Does not include gratuity and leave encashment since the same is calculated for all employees of the company as a whole.

Remuneration paid by Thermax Instrumentations Limited (Cost transfer as per demerger scheme)

(f) Terms and conditions of related party transactions

The sales to 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 and settlement occurs in cash.

30 Fair value measurements

(a) Category of financial instruments and valuation techniques

Details of financial assets carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Trade receivables	-	400.10
Other financial assets	-	22.07
Cash and cash equivalents	1.25	10.25
Bank balances other than cash and cash equivalents	-	1,317.26
Total	**1.25**	**1,749.68**
Current assets	1.25	1,746.98
Non-current assets	-	2.70
Total	**1.25**	**1,749.68**

The management has assessed that the carrying amounts of the above financial instruments appoximate their fair values.

While calculating expected credit loss, the company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

Details of financial liabilities carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Trade payable	2.61	426.17
Employee related payables	-	35.19
Other payables to group company	12.40	76.50
Total	**15.01**	**537.86**
Current liabilities	15.01	537.86
Non-current liabilities	-	-
Total	**15.01**	**537.86**

The management has assessed that the carrying amounts of the above financial instruments appoximate their fair values.

Details of derivative liabilities

	As at March 31, 2024	As at March 31, 2023
Derivative instruments		
Derivative not designated as hedges		
Foreign exchange forward contracts	-	0.92
Total	**-**	**0.92**
Current liabilities	-	0.92
Non-current liabilities	-	-
Total	**-**	**0.92**

The Company 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 Company has a practice to settle all derivative contracts on or before its maturity using the sanctioned finance limits with banks, thereby eliminating both counterparty and the Company's own non-performance risk.

31 Financial risk management

The Company's principal financial liabilities comprise trade and other payables. 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.

Risk is inherent in the Company'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 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

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

Notes to financial statements for the year ended March 31, 2024

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

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 settlement of the resulting receivable or payable that is denominated in the foreign currency.

c Price risk

The Company is not exposed to such kind of 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 as per 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 of each class of financial assets disclosed in notes 5 and 8 above. The charge of impairment to Statement of profit and loss is diclosed in note 23(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 5(a), 9(a) and 9(b).

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, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. 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.

(i) Maturities of financial liabilities

The tables below summarises the Company's financial liabilities into relevant maturity profile based on contractual undiscounted payments :

March 31, 2023	**< 1 year**	**1 to 3 years**	**> 3 years**
Non- derivative			
Trade payables	2.61	-	-
Other financial liabilities			
Employee related payable	-	-	-
Other payables	-	-	-
March 31, 2023	**< 1 year**	**1 to 3 years**	**> 3 years**
Non- derivative			
Borrowings	-	-	-
Trade payables	605.86	-	-
Other financial liabilities			
Employee related payable	26.16	-	-
Other payables	32.05		

Notes to financial statements for the year ended March 31, 2024

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

32 Key Financial Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022:

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Reasons for variance
Current ratio	Current assets	Current liabilities	0.70	1.80	-0.61	Reduction in current ratio due to demerger, assets and liabilities transferred.
Return on equity ratio	Profit after tax	Average shareholder's equity	(0.01)	0.29	-1.03	Loss during the year due to nil revenue.
Inventory turnover ratio	Cost of goods sold#	Average inventories	-	9.75	-1.00	No sales made during the year.
Debtors turnover ratio	Revenue from operations	Average trade receivables	-	4.17	-1.00	No sales made during the year.
Trade payables turnover ratio	Total supplier purchases*#	Average trade payables	-	3.51	-1.00	No sales made during the year.
Net capital turnover ratio	Revenue from operations	Working capital **	-	2.93	-1.00	No sales made during the year.
Net profit ratio	Profit after tax	Revenue from operations	-	0.09	-1.00	No sales made during the year.
Return on capital employed (ROCE)	Profit before tax + finance cost	Capital employed ***	0.69	0.27	1.55	Loss during the year but positive ratio due to negative capital employed.
Return on investment (ROI)	Profit after tax	Shareholder's equity	0.69	0.25	1.74	Loss during the year but positive ratio due to negative shareholder's equity.

Explanations:

** Total current assets - Total current liabilities

*** Total equity

#Projects bought outs and components consumed + Purchase of traded goods + (Increase) / decrease in inventories

*#Projects bought outs and components consumed + + Purchase of traded goods + Other expenses - Provision for impairment allowance of financial asset (net) -Warranty expenses (net)

33 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2024.

	As at March 31, 2024	As at March 31, 2023
Trade payables	2.61	426.17
Less: Cash and cash equivalents	(1.25)	(1,327.51)
Net (surplus) / debt	**1.36**	**(901.34)**
Equity	(4.88)	876.81
Capital and net debt	**6.24**	**(1,778.15)**

34 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has 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

(vi) The Company has 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,

(vii) 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).

35 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on March 31, 2024, MCA has not amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 and hence reporting under this section is not applicable.

36 Compliance with section 143(3) for audit trail

The Company uses various accounting applications for maintaining their books of account. Out of these applications, the Company has made an assessment to identify the accounting software that are required to comply with requirements regarding audit trail (edit log) facility and allied requirements.

As per the above assessment, the Company uses a 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 transactions including master data and direct changes to data using certain privileged access rights for the application and/or the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of accounting software wherever these elements are enabled. The Company is in the process of assessing the above and will take appropriate measures to comply with the regulations.

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

37 (a) Demerger of ACC business undertaking

On December 20, 2022, the board of directors of the Company has approved demerger, of the Air Condensed Cooler (ACC) business to Thermax Instrumentation Limited (a wholly owned subsidiary of Thermax Limited). The Company will continue to operate and build market for remaining business. Under the above scheme, (which envisages an appointed date of April 01, 2023), the Company's ACC business is demerged.

On December 20, 2023 the NCLT has sanctioned the scheme of arrangment between Thermax Cooling Solutions Limited and Thermax Instrumentation Limited and appointed date of scheme is April 1, 2023.

As at the reporting date the Company does not have any order back log for remaining business and the management is in discussions with internal and external market participants including the holding company to evaluate and explore future business opportunities and prospects in relation to the remaining business of the Company.

As on March 31, 2024, the Company has sufficient cash balances to meet it is obligation and honour the commitments. Management is confident of recovering asset balances (including tax balances) with the alternative plan available and hence, financial statement have been prepared on a going concern basis.

(b) Transfer of assets nad liabilities under demerger scheme

Particulars	As at March 31, 2023
Assets	
I. Non-current assets	
Property, plant and equipment	1.04
Intangible assets	2.30
Financial assets:	
(a) Loans	
(a) Other assets	2.70
Income tax assets (net)	8.50
Other assets	27.56
Total non-current assets	**42.10**
II. Current assets	
Inventories	124.94
Financial assets:	
(a) Investments	
(a) Trade receivables	400.10
(b) Cash and cash equivalents	9.00
(c) Bank balances other than (b) above	1,317.26
(d) Loans	
(d) Other financial assets	19.37
Other assets	11.90
Total current assets	**1,882.57**
Total assets	**1,924.67**
III. Equity and liabilities	
Equity share capital	
Other equity	-
Total equity	
IV. Current liabilities	
Financial liabilities:	
(a) Borrowings	
(a) Trade payables	
Total outstanding dues of micro and small enterprises	214.59
Total outstanding dues of creditors other than micro and small enterprises	211.58
(b) Other financial liabilities	111.95
Provisions	73.30
Other liabilities	428.88
Income tax liabilities (net)	5.59
Total current liabilities	**1,045.89**
Excess of assets over liabilities	**878.78**

For B. K. Khare & Co
Chartered Accountants
ICAI Firm Registration No.: 105102W

Amit Mahadik
Partner
Membership No. 125657

Place: Pune
Date: May 06, 2024

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

Bhavesh Chheda
Director
DIN: 08558510

Sandeep Deshpande
Director
DIN: 09748806

Ajit Sharma
Chief Financial Officer

Karan Parakh
Company Secretary

Place: Pune
Date: May 06, 2024

Thermax Babcock & Wilcox Energy Solutions Limited

Board of Directors
Ashish Bhandari, Chairman
Nawshir Mirza
Pravin Karve
Rajendran Arunachalam
Ravinder Advani (upto April 24, 2024)
Rajani Kesari
Shyamak R. Tata
B.C. Rajesh

Registered Office
Dhanraj Mahal, 2nd Floor,
Chhatrapati Shivaji Maharaj Marg,
Near Regal Cinema, Colaba,
Mumbai - 400039, Maharashtra, India

Auditors
SRBC & Co. LLP (FRN- 324982E/E300003)
C, Ground Floor
Panchshil Tech park,
Yerawada, Pune - 411006.

Key Managerial Personnel
B.C. Rajesh (Chief Exceutive officer
w.e.f February 6, 2024)
Bhavesh Chheda, Chief Financial Officer
Apurva Gupte, Company Secretary

Corporate office
Energy House,
D-II Block, Plot No.38/39,
MIDC Chinchwad
Pune - 411019

Bankers
ICICI Bank Ltd.
Citibank N.A.,
Hong Kong & Shanghai Banking Corporation,
Union Bank of India

Manufacturing Facility
Plot No. A-2 & A-3, Khandala Industrial Area, Phase-I, MIDC, Village Kesurdi, Tal-Khandala, Dist. Satara-412802, Maharashtra.
Plant No. 5, 12, 15 at D-13, MIDC, Industrial Area, R.D. Aga road, Chinchwad, Pune- 411019
Survey No. 169, Village Dhrub, Taluka Mundra, Mundra 370421, District Kutch, Gujarat.
Plot No 21-1/2/3, GIDC Manjusar, Taluka Savali, District - Vadodara - 391775, Gujarat.

DIRECTORS' REPORT

Dear Shareholders,

Your directors take pleasure to present the Fourteenth Annual Report, together with the audited financial statements of your company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs.in crore)

Particulars	2023-24	2022-23
Total income	**2,304.33**	2,155.93
Profit/(Loss) before exceptional items and tax	**180.78**	116.54
Exceptional items	**-**	-
Profit /(Loss) before tax	**180.78**	116.54
Current Tax	**33.33**	-
Deferred tax	**15.09**	24.36
Profit/ (Loss) for the year	**132.36**	92.18

PERFORMANCE

During the year, the company focused on offering Green Renewable Energy Solutions to its clients by building new products & expanding the existing product lines. The company has also continued to win contracts for plants that utilize process waste, such as Non-Recyclable Solid Waste from Paper Plants, Spent Wash from Distilleries along with traditional biomass like Bagasse, Rice Straw, Rice Husk, etc. With this experience, your company is poised to deliver more green solutions in years to come to help the industrial users to achieve their Sustainability Goals.

Your company received orders across sectors for new and retrofit requirements supporting our customers in their energy transition journey. Your company received a large retrofit order from a steel major for utilizing waste gases replacing fossil fuel in an existing steam generating plant, significantly reducing carbon foot print and emissions.

The company's focus on collection of outstanding amounts and on reduction of inventories to optimal levels has helped the company to continue with the trend of negative working capital.

AMOUNTS TRANSFERRED TO RESERVES

There was no transfer to reserves during the reporting period.

DIVIDEND

The directors do not recommend any dividend for the year

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

CHANGES IN SHARE CAPITAL, IF ANY

There was no change in the share capital of the company.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the Financial Statements.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has constituted the Audit & Risk Management Committee in accordance with the provisions of the Companies Act, 2013 and thus direct access to the Chairman of the Audit & Risk Management Committee in exceptional or appropriate cases would be provided in the said mechanism.

EMPLOYEE STRENGTH

The total number of permanent staff and workmen as on March 31, 2024 was 1,228.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, duly amended, in respect of employees of the company, will be provided upon request. In terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members and others entitled to receive it.

Any shareholder interested in obtaining such particulars may write to the company secretary. The information is also available for inspection at the corporate office during working hours up to the date of the Annual General Meeting.

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 1.

BUSINESS RISK MANAGEMENT

The company has instituted proven and established best practices for risk management, adopted from its holding company. It utilizes a structured and documented project risk and opportunity management system to review bids for new business. Risk management and mitigation is an integral part of this process. It also tracks and manages identified risks through periodic reviews during project execution.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal audit observations and recommendations are presented to the audit & risk management committee for implementation of improvements/ modification of controls, as needed.

The internal control systems are adequate and commensurate with the nature and size of the business.

There are no findings which have significantly impacted the financial reporting.

SECRETARIAL STANDARDS

The Company has complied with the Secretarial standards issued by the Institute of Company Secretaries of India.

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.

BOARD EVALUATION

Annual evaluation of the Board was conducted during the year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Mr. Shekhar Kashalikar has ceased to be a Director of the Company w.e.f. September 30, 2023 while Mr. Ravinder Advani has ceased to be a Director of the Company w.e.f. April 24, 2024. Mr. B. C Rajesh and Mr. Shyamak Tata were appointed as additional Directors of the Company w.e.f. February 6, 2024.

As per the provisions of the Companies Act, 2013 and the company's Articles of Association, Mrs. Rajani Kesari and Mr. Rajendran Arunachalam retires by rotation and being eligible offers themselves for re-appointment as director.

Key Managerial Personnel (KMP)

Mr. Shekhar Kashalikar, CEO of the company has tendered resignation on September 30, 2023 and Mr. B. C. Rajesh was appointed as the CEO of the Company w.e.f. February 6, 2024.

Board Meetings

During the year, the Board met four times on May 12, 2023, July 28, 2023, November 1, 2023, and February 6, 2024. The intervening gap between the meetings was within the prescribed limit mentioned under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (3) (c) of the Companies Act, 2013, your directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, state that -

a) In the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards have been followed;

b) Appropriate accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as 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 accounts have been prepared on a going concern basis;

e) Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

BOARD COMMITTEES

Presently, the Board has the following three committees:

- Audit & Risk Management Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee

RELATED PARTY TRANSACTIONS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The company is committed to provide a safe and conducive work environment to its employees.

There were no cases pending at the beginning of the year/ filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

STATUTORY AUDITORS

M/s. SRBC & Co. LLP, Chartered Accountants, were appointed as the statutory auditors of the Company till the conclusion of the 15th Annual General Meeting (AGM) of the company.

SECRETARIAL AUDITORS

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. Amit Jaste & Associates, Company Secretaries, Mumbai as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed herewith as "Annexure 2" and is self-explanatory.

COST AUDITORS

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

DETAILS REGARDING FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

During the year under review, there were no frauds reported by the auditors to the Audit & Risk Management Committee or the Board under section 143(12) of the Act.

THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of onetime settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

Your directors wish to place on record their gratitude for the valuable assistance and cooperation extended to the company by its employees, bankers, customers, strategic partners and all the stakeholders. Your directors look forward to their continued support in the future as well.

For and on behalf of the Board of Directors of

Thermax Babcock & Wilcox Energy Solutions Ltd.

Place: Pune,
Date: May 8, 2024

Ashish Bhandari
Chairman
DIN: 05291138

Annexure-1 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

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

a. Electricity:

The company continued its efforts to utilise energy optimally at its manufacturing facilities and office locations. Energy conservation measures adopted across the company have made energy usage more efficient.

b. The company has successfully implemented various operational efficiency projects at its manufacturing plants such as arresting compressor leakages, installing motion sensors to avoid excess use, and installing LED in shops. These initiatives have not only helped company to reduce its energy consumption and greenhouse gas emissions (757 tCO_2e), but also to improve its operational efficiency and reduce cost.

c. Successful implementation of LED lights at Shirwal shop which will reduce the carbon footprint by 67 tCO_2e/Month.

d. Fuel:

During this year, there is no new project implemented.

e. Water:

The company continued its efforts to conserve water resources by recycling a major portion of its wastewater and reducing its water consumption as well as controlling water losses in manufacturing and office locations of the company. These efforts at factory locations of Pune, Savli, Mundra, Shirwal have resulted in saving 42648 m3 water during the year.

Third party water neutrality assessment is conducted to the current conditions at Shirwal during this year.

(ii) Steps taken by the company for utilising alternate sources of energy:

The company continues its efforts to utilise alternate sources of energy at plant locations. The total installed capacity of 772 kWp of rooftop captive solar power generation projects at Savli, and Energy house office at Pune.

The company has procured renewable energy from Wind source through open access mechanism at Shirwal plant.

Further the company is in process of signing a contract for 2 MWp Solar power through Open access.

Expenditure on R&D- Nil

Foreign exchange Earnings and Outgo

During the year the company had net foreign exchange inflow and outflow of Rs. 66.48 crores.

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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 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 31st March, 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 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. 30th September 2023.

- Board of Directors, at its meeting held on 6th February 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 6th February 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 Annual General meeting held on 28th July, 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 **FCS No.:7289**
Proprietor **CP No.:12234**
Date : 8th May,2024
Place: Mumbai
UDIN: F007289F000329413

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report

"ANNEXURE A"

To,
The Members,
THERMAX BABCOCK & WILCOX ENERGY SOLUTIONS LIMITED
Dhanraj Mahal, 2nd Floor,
Chhatrapati Shivaji Maharaj Marg,
Near Regal Cinema, Colaba
Mumbai MH 400039

Our report of even date to be read along with this letter.

1) Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on 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 **FCS No.:7289**
Proprietor **CP No.:12234**
Date : 8th May,2024
Place: Mumbai
UDIN: F007289F000329413

ANNEXURE 4 TO THE DIRECTORS' REPORT

Annual Report on CSR Activities and CSR Policy

1. **A brief outline on CSR Policy of the company**

The Company is a wholly owned subsidiary of Thermax Limited. The Company is committed to contribute to the welfare of the community in which it is carrying out its business operations. Being a wholly owned subsidiary of Thermax Limited, it has been decided that the CSR policy of the company will be aligned with the CSR policy of Thermax Limited and the CSR activities of the company shall be conducted through Thermax Foundation (TF).

2. **Composition of the CSR Committee**

During the year, the Committee met once on February 6, 2024. Details of the Committee members and meetings attended by the members are as follows:

Sl. 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	Rajendran Arunachalam	Chairman	1	1
2	Pravin Karve	Director	1	1
3	B.C. Rajesh	Director	1	1

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.	Provide the details of impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)	**Not Applicable**

5. Average net profit of the company as per section 135(5): **Rs. 72.50 crore**

6. (a) Two per cent of average net profit of the company as per section 135(5): **Rs.1.45 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 (7a+7b- 7c): **Rs. 1.45 crore**

7. **(a) CSR amount spent or unspent for the financial year**

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
1,45,00,000	Nil	-	Nil	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the List of Activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Project Duration	Amount Allocated for the Project (in Rs.)	Amount Spent in the Current Financial Year (in Rs.)	Amount Transferred to Unspent CSR Account for the Project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

(c) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two per cent of the average net profit of the company as per section 135(5)	**1,45,00,000**
(ii)	Total amount spent for the financial year	**1,45,00,000**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

8. **(a) Details of unspent CSR amount for the preceding three financial years**

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
NIL								

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Amount transferred to Name of the Project	Financial Year in which the Project was Commenced	Project Duration	Total Amount Allocated for the Project (in Rs.)	Amount Spent on the Project in the Reporting Financial Year (in Rs.)	Cumulative Amount Spent at the End of the Reporting Financial Year (in Rs.)	Status of the Project - Completed / Ongoing
NIL								

9. In case of creation or acquisition of a capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **NA**

   (a) Date of creation or acquisition of the capital asset(s) **NA**

   (b) Amount of CSR spent for creation or acquisition of the capital asset

   (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

   (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

B.C. Rajesh
(Chief Executive Officer & Director)

Rajendran Arunachalam
(Chairman, CSR Committee)

Independent Auditor's Report

To the Members of Thermax Babcock & Wilcox Energy Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Thermax Babcock & Wilcox Energy Solutions Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 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 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 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 financial statements.

Emphasis of Matter

We draw attention to note 29(A)(b) of the financial statements relating to the demand orders on the Parent Company for Rs. 1,238.85 crores by 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.

The demand is in relation to the Boiler & Heater business transferred to the Company during the earlier years from the Parent Company.

Our opinion is not modified in respect of this matter.

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 Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the 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.

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 38(a) of the 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 matter against the Company described in the '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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;

   (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) 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);

   (h) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this Report;

   (i) 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;

   (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 financial statements – Refer Note 29 to the 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 18(b) to the financial statements;

      iii. There were no amounts which were 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, 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 persons or entities, 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 persons or entities, 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. No dividend has been declared or paid during the year by the Company; and

      vi. Based on our examination which included test checks, the Company 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 that, audit trail feature is not enabled for master data and direct changes to data when using certain access rights, as described in Note 38(b) of the 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 accounting software.

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

per Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLI2938
Place of Signature: Pune
Date: May 08, 2024

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Thermax Babcock & Wilcox Energy Solutions 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 intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified 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.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.

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 at March 31, 2024 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification and confirmations.

(b) As disclosed in note 15 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks 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 financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

iii. (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties as follows:

(Rs. Crores)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted / provided during the year - a) Others	-	-	0.93	-
Balances outstanding as at the balance sheet date in respect of above cases a) Others	-	-	1.20	-

(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, investments 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) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ("the Act") are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to 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 of 'other 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) The undisputed statutory dues including goods and services tax, professional tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to sales tax, service tax and value added tax are not applicable to the Company.

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	Amount (Rs. in crores)^	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty	1,238.85	FY 2000-01 to FY 2016-17	Supreme Court
Income Tax Act, 1961	Income tax	5.29	AY 2011-12, AY 2012-13 and AY 2017-18	Appellate tribunal (Mumbai, Maharashtra)
		46.35	AY 2013-14 to AY 2016-17	Appellate tribunal up to Commissioner of Income Tax (Appeals) (Mumbai, Maharashtra)

Central Sales Tax and Local Sales tax	Sales tax and Value Added Tax	2.08	FY 2007-08, 2009-10 to 2015-16	Appellate Tribunal (Maharashtra and Gujarat)
		3.08	FY 2006-07, 2008-09, 2014-15, 2015-16 to 2017-18	Appellate Authority upto Commissioner Level (Maharashtra and Gujarat)
The Indian Custom Act 1962	Custom duty	0.61	FY 2017-18, FY 2018-19	Commissioner of customs (Appeal), Maharashtra

^excluding 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 financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, 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) 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 Act has been filed by cost auditor, 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) 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 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 issue of our audit report on these 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 35 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 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 the Act. This matter has been disclosed in note 27(c) to the financial statements.

(xxi) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(xxi) of the Order is not applicable to the Company.

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

per Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLI2938
Place of Signature: Pune
Date: May 08, 2024

Annexure 2 as referred to in Paragraph 2(h) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

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 financial statements of Thermax Babcock & Wilcox Energy Solutions Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to 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 Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLI2938
Place of Signature: Pune
Date: May 08, 2024

Thermax Babcock & Wilcox Energy Solutions Limited

Balance Sheet as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
I. Non-current assets			
Property, plant and equipment	4 (a)	245.80	280.85
Capital work-in-progress	4 (a)	2.72	0.57
Right of use assets	4 (b)	42.47	43.19
Intangible assets	4 (c)	5.98	7.05
Intangible assets under development	4 (c)	1.06	-
Financial assets:			
(a) Trade Receivables	6 (a)	6.07	-
(b) Loans	7 (a)	0.81	0.97
(c) Other assets	8 (a)	51.44	24.51
Deferred tax assets (net)	9	37.03	52.23
Income tax assets (net)		23.88	18.34
Other assets	10 (a)	1.95	0.66
Total non-current assets		**419.21**	**428.37**
II. Current assets			
Inventories	11	168.28	202.04
Financial assets:			
(a) Investments	5	408.12	197.87
(b) Trade Receivables	6 (b)	525.52	555.37
(c) Cash and cash equivalents	12 (a)	14.22	16.42
(d) Bank balances other than (c) above	12 (b)	227.11	278.35
(e) Loans	7 (b)	0.39	0.60
(f) Other assets	8 (b)	207.90	176.83
Other assets	10 (b)	90.53	140.75
Total current assets		**1,642.07**	**1,568.23**
III. Assets classified as held for sale	40	-	1.37
Total assets		**2,061.28**	**1,997.97**
Equity and liabilities			
IV. Equity			
Equity share capital	13	628.22	628.22
Other equity	14	197.97	65.68
Total equity		**826.19**	**693.90**
V. Non-current liabilities			
Financial liabilities:			
(a) Borrowings	15 (a)	-	72.62
(b) Other liabilities	17 (a)	0.22	0.75
Provisions	18 (a)	7.86	9.45
Total non-current liabilities		**8.08**	**82.82**
VI. Current liabilities			
Financial liabilities:			
(a) Borrowings	15 (b)	161.91	57.00
(b) Trade payables	16 (a)		
Total outstanding dues of micro and small enterprises	16 (a)	102.51	138.68
Total outstanding dues of creditors other than micro and small enterprises		254.49	294.72
(c) Other liabilities	17 (b)	28.59	27.05
Provisions	18 (b)	87.93	75.96
Income tax liabilities (net)		11.10	-
Other liabilities	19	580.48	627.84
Total current liabilities		**1,227.01**	**1,221.25**
Total Equity and liabilities		**2,061.28**	**1,997.97**
Summary of material accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	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

per **Sumit Kumar Agrawal**
Partner
Membership No. 135859

Place: Pune
Date: May 08, 2024

For and on behalf of the Board of Directors of
Thermax Babcock & Wilcox Energy Solutions Limited

Rajendran Arunachalam
Director
DIN: 08446343

Rajesh Bukinkere
Director and CEO
DIN: 10486449

Bhavesh Chheda
Chief Financial Officer

Apurva Gupte
Company Secretary

Place: Pune
Date: May 08, 2024

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

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	20	2,257.64	2,126.00
Other income	21	46.69	29.93
Total Income (I)		**2,304.33**	**2,155.93**
Expenses			
Cost of raw materials and components consumed	22	1,394.81	1,308.88
(Increase) / Decrease in inventories of finished goods and work-in-progress	23	(3.78)	10.95
Employee benefits expense	24	195.13	165.88
Finance costs	25	12.17	11.38
Depreciation and amortisation expense	26	38.96	45.68
Other expenses	27 (a)	486.26	496.62
Total expenses (II)		**2,123.55**	**2,039.39**
Profit before tax (III) = (I - II)		**180.78**	**116.54**
Tax expense	9		
Current tax		33.33	-
Deferred tax		15.09	24.36
Total tax expense (IV)		**48.42**	**24.36**
Profit for the year (V)=(III-IV)		**132.36**	**92.18**
Other comprehensive income			
A. Items that will be reclassified subsequently to profit or loss			
Net gain/(loss) on effective portion of cash flow hedges		3.79	(7.43)
Less: Income tax effect		(0.95)	1.87
	28 (b)	2.84	(5.56)
B. Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain/(loss) of defined benefit plan		(3.34)	(3.56)
Less: Income tax effect		0.84	0.89
	28 (b)	(2.50)	(2.67)
Net other comprehensive income for the year (net of tax) (VI)		**0.34**	**(8.23)**
Total comprehensive income for the year (VII) = (V+VI)		**132.70**	**83.95**
Earning per equity share (Basic and Diluted) [Nominal value per share Rs. 10/- (March 31, 2023: Rs. 10/-)]	28 (a)	2.11	1.47
Summary of material accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	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

per **Sumit Kumar Agrawal**
Partner
Membership No. 135859

Place: Pune
Date: May 08, 2024

For and on behalf of the Board of Directors of
Thermax Babcock & Wilcox Energy Solutions Limited

Rajendran Arunachalam
Director
DIN: 08446343

Rajesh Bukinkere
Director and CEO
DIN: 10486449

Bhavesh Chheda
Chief Financial Officer

Apurva Gupte
Company Secretary

Place: Pune
Date: May 08, 2024

a) Equity Share Capital#

Particulars	Note No.	March 31, 2024 (Numbers)	March 31, 2024	March 31, 2023 (Numbers)	March 31, 2023
Balance at the beginning of the year	13	628,222,500	628.22	628,222,500	628.22
Changes in equity shares capital during the year	13	-	-	-	-
Balance at the end of the year	13	**628,222,500**	**628.22**	**628,222,500**	**628.22**

b) Other Equity# (Refer Note 14)

Particulars	Reserves and surplus			Other reserves	Share based payment reserve	Total other equity
	Capital reserve	Retained earnings	Total	Effective portion of cash flow hedge reserve		
As at April 1, 2022	**156.91**	**(177.91)**	**(21.00)**	**2.26**	**-**	**(18.74)**
Profit for the year (net of taxes)	-	92.18	**92.18**	-	**-**	**92.18**
Other Comprehensive Income (net)	-	(2.67)	**(2.67)**	(5.56)	**-**	**(8.23)**
Total comprehensive income	**-**	**89.51**	**89.51**	**(5.56)**	**-**	**83.95**
Shared based payment expense (note 37)	-	-	**-**	-	**0.47**	**0.47**
As at March 31, 2023	**156.91**	**(88.40)**	**68.51**	**(3.30)**	**0.47**	**65.68**
Profit for the year (net of taxes)	-	132.36	**132.36**	-	**-**	**132.36**
Other Comprehensive Income (net)	-	(2.50)	**(2.50)**	2.84	**-**	**0.34**
Total comprehensive income	**-**	**129.86**	**129.86**	**2.84**	**-**	**132.70**
Shared based payment expense (note 37)	-	-	-	-	0.80	0.80
Reduction on account of allotment of holding Company's equity shares (note 31 & 37)	-	-	-	-	(1.21)	(1.21)
As at March 31, 2024	**156.91**	**41.46**	**198.37**	**(0.46)**	**0.06**	**197.97**

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

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per **Sumit Kumar Agrawal**
Partner
Membership No. 135859

Place: Pune
Date: May 08, 2024

For and on behalf of the Board of Directors of
Thermax Babcock & Wilcox Energy Solutions Limited

Rajendran Arunachalam
Director
DIN: 08446343

Rajesh Bukinkere
Director and CEO
DIN: 10486449

Bhavesh Chheda
Chief Financial Officer

Apurva Gupte
Company Secretary

Place: Pune
Date: May 08, 2024

Cash flow statement for the year ended March 31, 2024

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

	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
A)	**Cash flows from operating activities**			
	Profit before tax		180.78	116.54
	Depreciation on property, plant and equipment	26	37.19	43.90
	Amortisation of right of use assets	26	0.72	0.72
	Amortisation of intangible assets	26	1.05	1.06
	Provision for impairment allowance of financial assets (net)	27 (a)	(27.08)	4.51
	Interest expense	25	8.53	7.89
	Unrealized foreign exchange gain		0.77	0.69
	Advances written off		2.53	-
	Bad debts	27 (a)	33.23	2.22
	Unwinding of Discount	25	3.64	3.49
	ESOP Expense (net of payment to holding company)	24	0.80	0.47
	Interest income	21	(29.92)	(19.35)
	Fair value gain on financial instrument at fair value through profit and loss (net)	21	(9.83)	(4.39)
	Liabilities no longer required written back	21	(3.78)	(3.59)
	Profit/(Loss) on sale/discard of property, plant and equipment (net)	27 (a)	0.65	(0.36)
	Working capital adjustments			
	(Increase)/Decrease in trade receivables		18.27	(101.75)
	(Increase)/Decrease in inventories		33.76	(17.02)
	(Increase)/Decrease in other financial assets		(30.06)	13.84
	(Increase)/Decrease in other assets		44.35	(3.35)
	Increase/(Decrease) in trade payables		(78.47)	6.41
	Increase/(Decrease) in other liabilities		(43.58)	(25.91)
	Increase/(Decrease) in provisions		6.74	1.87
	Increase/(Decrease) in other financial liabilities		0.69	6.76
	Cash generated from operations		**150.98**	**34.65**
	Direct taxes paid (net of refunds received)		(27.77)	(9.19)
	Net cash flow from / (used in) operating activities		**123.21**	**25.46**
B)	**Cash flows from/(used in) investing activities**			
	Purchase of property, plant and equipment, right of use (ROU) assets and intangible assets		(7.63)	(8.22)
	Sale of property, plant and equipment, right of use (ROU) assets and intangible assets		1.73	0.71
	Investments in fixed deposits		(265.05)	(281.80)
	Proceeds from maturity of fixed deposits		294.08	238.18
	Purchase of other investments		(574.98)	(285.99)
	Sale of other investments		375.41	315.24
	Interest received		27.27	20.81
	Net cash flows (used in) investing activities		**(149.17)**	**(1.07)**
C)	**Cash flows from / (used in) financing activities**			
	Proceeds from borrowings	15	85.06	57.00
	Repayment of borrowings		(57.00)	(82.44)
	Interest paid		(4.30)	(2.78)
	Net cash flows (used in) / from financing activities		**23.76**	**(28.22)**
	Net increase/(decrease) in cash and cash equivalents		**(2.20)**	**(3.83)**
	Cash and cash equivalents at the beginning of the year		16.42	20.25
	Cash and cash equivalents at the end of the year		**14.22**	**16.42**

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

	Note No	March 31, 2024	March 31, 2023
Cash and cash equivalents	12 (a)	14.22	16.42
Cash and cash equivalents at the end of the year		**14.22**	**16.42**

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per **Sumit Kumar Agrawal**
Partner
Membership No. 135859

Place: Pune
Date: May 08, 2024

For and on behalf of the Board of Directors of
Thermax Babcock & Wilcox Energy Solutions Limited

Rajendran Arunachalam
Director
DIN: 08446343

Rajesh Bukinkere
Director and CEO
DIN: 10486449

Bhavesh Chheda
Chief Financial Officer

Apurva Gupte
Company Secretary

Place: Pune
Date: May 08, 2024

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts in in Indian Rupees Crore, unless otherwise stated)

1. Corporate information

Thermax Babcock & Wilcox Energy Solutions Limited (formerly known as Thermax Babcock & Wilcox Energy Solutions Private Limited) (the "Company") is a Company domiciled in India. The Company is engaged in designing, engineering, fabrication, supply, erection, commissioning of subcritical and supercritical boilers. The Company caters to both domestic and international markets.

The address of its registered office is Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg, Near Regal Cinema, Colaba, Mumbai 400039, India. These financial statements are authorized for issue by the Board of Directors on May 08, 2024. The CIN of the Company is U29253MH2010PLC204890.

2. Material accounting policies

2.1. Basis of preparation and measurement

(a) Basis of preparation

These financials statements are prepared in accordance with 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 schedule III) as applicable to the financial statements.

The preparation of the financial statements requires the use of certain critical accounting judgements, estimates and assumption. 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) Basis of measurement

The 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 Changes in accounting policies and disclosures

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

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

The amendment clarifies the distinction between changes in accounting estimates and 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 amendment had no impact on the Company's financial statements.

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

The amendment aims 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 amendment narrows 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 amendment had no impact on the Company's financial statements.

2.3 Summary of material accounting policies

a. Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b. Foreign currencies

The Company's financial statements are prepared in INR, which is the also 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 recognized 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.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

(All amounts in in Indian Rupees Crore, unless otherwise stated)

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

- Disclosures for significant judgments, estimates and assumptions (Note 3)
- Quantitative disclosures of fair value measurement hierarchy (Note 33)
- Financial instruments (including those carried at amortized cost) (Note 33)

d. Property, Plant and Equipment

Property plant and equipment (PPE) and capital work in progress 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 property plant and equipment 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 are charged to the Statement of profit and loss during the financial year in which they are incurred. The carrying amount of an item property, plant and equipment shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal.

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::

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Factory buildings	28 to 30	30
Other buildings	58	60
Roads	5 to 30	5 to 10
Office Equipment	15	15
Plant and equipment	5 to 25	15 to 20
Furniture and fixtures	15	10
Computers	4 to 6	3 to 6
Vehicles	7 to 10	8

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized 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 recognized in the Statement of profit and loss when the asset is derecognized.

A summary of amortization rates applied to the Company's intangible assets is as below:

Asset category	Life (years)
Technical know how	10
Computer software	3 to 5

f. Inventories :

Raw materials (including bought out), components, stores and spares are valued at lower of cost and estimated net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Finished goods and work in progress are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realizable 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 the analysis of foreseeable changes in demand, technology, market conditions and ageing of inventories.

g. Revenue recognition

i. Revenue from Contracts with Customers

Revenue from contracts with customers is recognized 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 recognized 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 disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

The Company has following streams of revenue:

- **Revenue from Engineering, Procurement and Construction contracts**

Engineering, Procurement and Construction contracts are contracts (or a group 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 recognized over a period of time if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

(c) 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 recognizes revenue over time as it performs because of continuous transfer of control to the customer. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customer typically controls 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 to the Company.

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 fees or 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 recognized 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 recognized 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 recognized as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

ii. Revenue from sale of goods

If the criteria for revenue under over-a-period of time as mentioned above are not met, the company recognizes revenue at point-in-time. The point-in-time is determined when the control of the goods is transferred which is generally determined based on when the significant risk and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right of payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where the control has been transferred.

iii. 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 recognized as the related services are performed on a time proportion basis under the contracts.

Contract balances

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 receivable on completion of milestones and its related invoicing. Contract assets are recorded in balance sheet as unbilled revenue.

Trade Receivables: 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). Also refer note 2.3(h)below.

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 the customer advance as the case may be.

iv. Interest Income

For all debt instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts in in Indian Rupees Crore, unless otherwise stated)

h. 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

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset. For all subsequent measurements financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/income in the Statement of profit and loss. The losses arising from impairment are recognized 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 categorization as at amortized cost or as FVTOCI is classified as FVTPL.

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

Derecognition

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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month ECL. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

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 recognized 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 amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

i. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized 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 recognized 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 recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized 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, hedge ratio 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

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized 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 recognized in statement of profit and loss.

Amounts recognized 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 recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized 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 recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

j. Cash and cash equivalents

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 Company's cash management.

k. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. The Company accounts for export incentives for export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled.

l. Share capital

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

m. Income tax

Current tax

Current income 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.

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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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 utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the when the asset is realized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 and the same taxation authority.

n. Leases

Company as a lessee

The Company lease asset classes primarily consist of leases for land, buildings, guest houses and office equipment. 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 recognizes a right-of-use asset ("ROU") 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 recognizes 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.

The right-of-use assets are initially recognized 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 value of the future lease payments. 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 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.

o. Impairment of non-financial assets

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 including impairment on inventory are recognized 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 recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the Statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

p. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognized 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.

Provision for onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

q. 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 recognizes 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 recognized 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 recognized 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.

Re-measurements, 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of profit and loss in subsequent periods.

Past service costs are recognized in the Statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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 utilized 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 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.

r. Segment Reporting

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 Director and Chief Executive Officer as the chief operating decision maker of the Company.

s. Contingent liability

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.

t. Earnings Per Share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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.

u. Dividends

Dividend to equity shareholders is recognized 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 recognized as a liability and deducted from shareholders' equity in the year in which the dividends are declared by the Board of directors.

v. 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, 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 (equity-settled transactions).

Equity settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 37. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Revenue recognition from contracts with customers

A significant portion of the Company's business relates to construction of assets which are accounted using cost-based input method, recognizing 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.

ii. Contingencies relating to tax and legal matters

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.

iii. Segment reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in 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 Chief Executive Officer to assess performance and allocate resources. The Company is operating in a single business segment, viz Industrial Infra (Energy and Allied Services).

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Constructions contracts:

- **Provisions for liquidated damages claims (LDs):** The Company provides for LD claims to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognized 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 recognize.

- **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, unbilled revenue and estimated earnings and accrued contract expenses.

- **Recognition of contract variations:** The Company recognizes 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

- **Provision for onerous contract:** The Company provides for future losses on long-term contracts where it is considered 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. Refer note 18(b)for details of provision for onerous contracts.

ii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset of 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 flow 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 are 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.

iii. Defined benefit plans - 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 most subject 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. Further details about gratuity obligations are given in Note 30.

iv. 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 judgment 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 33 for further disclosures.

v. Warranty provision

The Company generally offers 18 months warranties for its 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. Refer note 18 for further details.

vi. Impairment of financial assets

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 categorizes 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 6 and 8(b)for details of impairment allowance recognized at the reporting date.

(All amounts in in Indian Rupees Crore, unless otherwise stated)

vii. Useful lives of property, plant and equipment and intangible assets

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 annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates. Refer note 2.3 (d) and 2.3 (e) above for further details.

viii. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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. Refer Note 9 for details of deferred taxes.

3.3 Standards issued but not 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.

4 (a) Property, plant and equipment

Particulars	Buildings	Plant and equipment	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work in progress
Gross carrying amount as at April 1, 2022	**274.88**	**474.31**	**13.48**	**16.12**	**6.28**	**3.00**	**788.07**	**0.53**
Additions	-	0.59	0.98	4.03	-	1.37	6.97	7.01
Disposals/ Transfers/ Adjustment	-	(4.03)	(0.25)	(0.02)	(0.53)	(0.14)	(4.97)	(6.97)
Assets classified as held for sale (note 40)	-	(5.88)	-	-	-	-	(5.88)	-
Gross carrying amount as at March 31, 2023	**274.88**	**464.99**	**14.21**	**20.13**	**5.75**	**4.23**	**784.19**	**0.57**
Additions	-	0.56	0.51	1.33	-	0.73	3.13	5.28
Disposals/ Transfers/ Adjustment	-	(6.04)	(2.66)	(5.55)	(0.59)	(0.42)	(15.26)	(3.13)
Gross carrying amount as at March 31, 2024	**274.88**	**459.51**	**12.06**	**15.91**	**5.16**	**4.54**	**772.06**	**2.72**
Accumulated depreciation as at April 1, 2022	**62.82**	**380.66**	**5.96**	**12.74**	**4.93**	**1.42**	**468.53**	**-**
Charge for the year	8.99	32.02	0.77	1.47	0.27	0.38	43.90	-
Disposals	-	(3.74)	(0.24)	(0.01)	(0.51)	(0.08)	(4.58)	-
Assets classified as held for sale (note 40)	-	(4.51)	-	-	-	-	(4.51)	-
Accumulated depreciation as at March 31, 2023	**71.81**	**404.43**	**6.49**	**14.20**	**4.69**	**1.72**	**503.34**	**-**
Charge for the year	8.99	25.51	0.51	1.52	0.19	0.47	37.19	-
Disposals	-	(6.00)	(2.29)	(5.26)	(0.56)	(0.16)	(14.27)	-
Accumulated depreciation as at March 31, 2024	**80.80**	**423.94**	**4.71**	**10.46**	**4.32**	**2.03**	**526.26**	**-**
Net Block as at March 31, 2024	**194.08**	**35.57**	**7.35**	**5.45**	**0.84**	**2.51**	**245.80**	**2.72**
Net Block as at March 31, 2023	**203.07**	**60.56**	**7.72**	**5.93**	**1.06**	**2.51**	**280.85**	**0.57**

Capital work in progress majorly includes expenditure towards building facilities.

Notes to financial statements for the year ended March 31, 2024

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

The ageing details for capital work in progress (CWIP) are as follows:

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Project in progress	2.72	-	-	-	2.72
As at March 31, 2023					
Project in progress	0.41	0.16	-	-	0.57

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.

4 (b) Right of use assets

	Leasehold land
Gross carrying amount as at April 1, 2022	**47.90**
Additions	-
Disposals/ Transfers/ Adjustment	-
Gross carrying amount as at March 31, 2023	**47.90**
Additions	-
Disposals/ Transfers/ Adjustment	-
Gross carrying amount as at March 31, 2024	**47.90**
Accumulated depreciation as at April 1, 2022	**3.99**
Charge for the year	0.72
Disposals/ Transfers/ Adjustments	-
Accumulated depreciation as at March 31, 2023	**4.71**
Charge for the year	0.72
Disposals/ Transfers/ Adjustments	-
Accumulated depreciation as at March 31, 2024	**5.43**
Net Block as at March 31, 2024	**42.47**
Net Block as at March 31, 2023	**43.19**

The Company has taken certain assets on lease which have been accounted in accordance with Ind AS 116, "Leases". Refer note 29 B (b) (i) for further disclosure on leases.

4 (c) Intangible assets

Particulars	Computer Software	Technical know-how	Total	Intangible assets under development
Gross carrying amount as at April 1, 2022	**15.30**	**32.97**	**48.27**	**-**
Additions	-	-	-	-
Disposals/ Transfers/ Adjustment	-	-	-	-
Gross carrying amount as at March 31, 2023	**15.30**	**32.97**	**48.27**	**-**
Additions	-	-	-	1.06
Disposals/ Transfers/ Adjustment	(6.36)	-	(6.36)	-
Gross carrying amount as at March 31, 2024	**8.94**	**32.97**	**41.91**	**1.06**
Accumulated depreciation as at April 1, 2022	**14.65**	**25.51**	**40.16**	**-**
Charge for the year	0.23	0.83	1.06	-
Disposals/ Transfers/ Adjustments	-	-	-	-
Accumulated depreciation as at March 31, 2023	**14.88**	**26.34**	**41.22**	**-**
Charge for the year	0.22	0.83	1.05	-
Disposals/ Transfers/ Adjustments	(6.34)	-	(6.34)	-
Accumulated depreciation as at March 31, 2024	**8.76**	**27.17**	**35.93**	**-**
Net Block as at March 31, 2024	**0.18**	**5.80**	**5.98**	**1.06**
Net Block as at March 31, 2023	**0.42**	**6.63**	**7.05**	**-**

The ageing details for intangible assets under development are as follows:

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Project in progress	1.06	-	-	-	1.06
As at March 31, 2023					
Project in progress	-	-	-	-	-

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.

5 Current Investments

	As at March 31, 2024	As at March 31, 2023
Investments at Fair value through Profit and Loss:		
Investments in Mutual Funds	299.16	89.76
Investments at Amortised cost:		
Investment in Corporate Deposits	108.96	108.11
	408.12	**197.87**
Aggregate amount of quoted investments	299.16	89.76
Aggregate amount of unquoted investments (book value)	108.96	108.11
Aggregate amount of unquoted investments (market value)	108.96	108.11
Aggregate amount of impairment in the value of investments	**-**	**-**

Investments at fair value through profit or loss reflect investment in quoted debt securities. Refer note 33 for determination of their fair values.

6 Trade receivables at amortized cost

(a) Non-current trade receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables from:		
i) Related parties (note 31)	-	-
ii) Others	6.07	-
Total	**6.07**	**-**
Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	8.35	-
Trade Receivables which have a significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Less: Impairment allowance	(2.28)	-
Total	**6.07**	**-**

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 31.

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

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

	Not Due	Total
Trade receivables as at March 31, 2024		
(i) Undisputed - considered good	8.35	**8.35**
(ii) Undisputed - which have significant increase in credit risk	-	-
(iii) Undisputed - credit impaired	-	-
(iv) Disputed - considered good	-	-
(v) Disputed - which have significant increase in credit risk	-	-
(vi) Disputed - credit impaired	-	-
Sub-Total	8.35	**8.35**
Less: impairment allowance		**(2.28)**
Total		**6.07**

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

	Not Due	Total
Trade receivables as at March 31, 2023		
(i) Undisputed - considered good	-	-
(ii) Undisputed - which have significant increase in credit risk	-	-
(iii) Undisputed - credit impaired	-	-
(iv) Disputed - considered good	-	-
(v) Disputed - which have significant increase in credit risk	-	-
(vi) Disputed - credit impaired	-	-
Sub-Total	-	-
Less: impairment allowance		-
Total	-	-

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 31)	23.65	31.49
ii) Others	501.87	523.88
Total	**525.52**	**555.37**
Trade Receivables		
Secured, considered good	5.68	12.71
Unsecured, considered good	602.97	631.47
Trade receivables which have a significant increase in credit risk	6.82	30.80
Trade receivables - credit impaired	7.28	6.94
	622.75	**681.92**
Less: Impairment allowance*	(97.23)	(126.55)
Total	**525.52**	**555.37**

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.

*Includes provision of Rs. 6.82 (March 31, 2023: Rs. 30.80) for trade receivable which have a significant increase in credit risk

For terms and conditions relating to related party receivables, refer note 31.

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:

Particulars	Not Due	Outstanding for the following period from due date of receipts					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables as at March 31, 2024							
(i) Undisputed - considered good	126.51	342.13	56.32	35.34	13.95	34.40	**608.65**
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	2.95	**2.95**
(iii) Undisputed - credit impaired	-	-	0.26	2.54	2.56	1.92	**7.28**
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	3.87	**3.87**
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Sub-Total	**126.51**	**342.13**	**56.58**	**37.88**	**16.51**	**43.14**	**622.75**
Less: Impairment allowances							**(97.23)**
Total							**525.52**

Particulars	Not Due	Outstanding for the following period from due date of receipts					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables as at March 31, 2023							
(i) Undisputed - considered good	201.07	307.45	39.15	28.57	19.96	47.98	**644.18**
(ii) Undisputed - which have significant increase in credit risk	-	-	-	-	0.25	21.14	**21.39**
(iii) Undisputed - credit impaired	-	0.34	2.17	3.13	0.57	0.73	**6.94**
(iv) Disputed - considered good	-	-	-	-	-	-	-
(v) Disputed - which have significant increase in credit risk	-	-	-	-	-	9.41	**9.41**
(vi) Disputed - credit impaired	-	-	-	-	-	-	-
Sub-Total	**201.07**	**307.79**	**41.32**	**31.70**	**20.78**	**79.26**	**681.92**
Less: Impairment allowances							**(126.55)**
Total							**555.37**

Notes to financial statements for the year ended March 31, 2024
All amounts are in Rupees Crore, except per share data and unless stated otherwise

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) The following table summarises the change in provision for impairment allowance measured using the life time expected credit loss model:

	Provision for trade receivables		Provision on contract assets	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
At the beginning of the year	126.55	124.80	10.21	7.45
Provision made during the year	30.75	31.34	-	2.76
Utilized/reversed during the year	(57.79)	(29.59)	(0.04)	-
At the end of the year	**99.51**	**126.55**	**10.17**	**10.21**
Current	97.23	126.55	10.17	10.21
Non Current	2.28	-	-	-
Total	**99.51**	**126.55**	**10.17**	**10.21**

7 Loans at amortized cost

(a) Non-current loans

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans to employees	0.81	0.97
Total	**0.81**	**0.97**

(b) Current loans

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans to employees	0.39	0.60
Total	**0.39**	**0.60**

Loans are various kinds of non-derivative financial assets. The carrying value may be affected by the changes in the credit risk of the counterparties. 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.

8 Financial assets

(a) Other non current assets

	As at March 31, 2024	As at March 31, 2023
At amortized cost		
Bank deposits with remaining maturity of more than 12 months	35.01	11.00
Unbilled revenue (Contract assets)	13.57	10.72
Security deposits #	2.86	2.79
Total	**51.44**	**24.51**

includes rent deposits, deposits with MIDC, MSEB, etc.

(b) Other 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	0.36	0.46
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	0.31	0.44
At amortized cost		
Export incentive receivable	0.20	1.98
Security deposits	0.37	0.05
Unbilled revenue (Contract assets)^	205.28	173.90
Others**	1.38	-
Total	**207.90**	**176.83**

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 provision for impairment allowance of Rs. 10.17 (March 31, 2023 : Rs. 10.21) for contract assets.

** includes amounts recoverable from gratuity trust Rs. 1.38 (March 31, 2023 : Rs. Nil)

9 Income taxes

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

a) Statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Current tax	33.33	-
Deferred tax	15.09	24.36
Income tax expense reported in the Statement of profit and loss	**48.42**	**24.36**

(b) Other comprehensive income

Particulars	March 31, 2024	March 31, 2023
Deferred tax related to items recognised in other comprehensive income during the year		
Net gain or loss on effective portion of cash flow hedge	0.95	(1.87)
Net gain or loss on remeasurements of defined benefit plans	(0.84)	(0.89)
Deferred tax charged / (credited) in other comprehensive income	**0.11**	**(2.76)**

Notes to the Financial Statements for the year ended March 31, 2024
All amounts are in Indian Rupees Crore, except per share data and unless stated otherwise

(c) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023

Particulars	March 31, 2024	March 31, 2023
Accounting profit before tax	180.78	116.54
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.168%	45.50	29.33
Permanent disallowance		
- Interest on preference shares	1.06	1.06
- Others (includes interest, warranties etc)	0.37	0.06
- Corporate Social Responsibility Expenses	0.36	0.20
Others (includes adjustment due to earlier year assessment orders and, adjustment for fair valuation of investments and ,other differences, etc.)	1.13	(6.29)
Total income tax expense reported in the Statement of profit and loss	**48.42**	**24.36**

d) Deferred tax
Statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Deferred tax relates to the following :		
Impact of difference between tax depreciation and depreciation/ amortisation	(2.36)	(2.42)
Losses and unabsorbed depreciation utilised against current taxable income	17.66	28.98
40(a) disallowance	0.40	(0.17)
Items allowed on payment basis / temporary disallowances	(2.65)	0.58
Temporary differences due to accounting treatment as required by Income-tax standards	(1.12)	(3.94)
Provision for doubtful debts and liquidated damages	3.21	1.57
Others	(0.05)	(0.24)
Deferred tax expense/ (income) in the Statement of profit and loss	**15.09**	**24.36**

Balance sheet

Particulars	March 31, 2024	March 31, 2023
Deferred tax relates to the following :		
Impact of difference between tax depreciation and depreciation/ amortisation	(15.06)	(17.42)
Losses and unabsorbed depreciation available for offsetting against future taxable income	-	17.66
40(a) disallowance	0.42	0.82
Items allowed on payment basis / temporary disallowances	5.18	2.53
Temporary differences due to accounting treatment as required by Income-tax standards	7.08	5.96
Provision for impairment allowances and liquidated damages	37.72	40.93
Others	1.69	1.75
Net deferred tax assets	**37.03**	**52.23**

Reconciliation of deferred tax assets (net)

Particulars	March 31, 2024	March 31, 2023
Opening balance as at April 1	**52.23**	**73.83**
Tax (expense)/income during the period recognised in profit or loss	(15.09)	(24.36)
Tax (expense)/income during the period recognised in other comprehensive income	(0.11)	2.76
Closing balance as at March 31	**37.03**	**52.23**

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.

10 Other assets

(a) Other non-current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advance	1.29	-
Balances with government authorities	0.66	0.66
Total	**1.95**	**0.66**

(b) Other current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers	55.54	99.66
Advance to employees	2.86	3.89
Advance to related parties (note 31)	2.28	9.32
Prepayments	2.21	2.21
Balances with government authorities	24.83	21.40
Prepaid employee benefits (note 30)	2.81	4.27
Total	**90.53**	**140.75**

There were no advances due from 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.

11 Inventories (Valued at lower of cost and net realizable value)

	As at March 31, 2024	As at March 31, 2023
Raw materials, components and bought-outs**	148.77	185.62
Work-in-progress	10.34	8.27
Finished goods	4.24	2.53
Stores and spares	4.93	5.62
Total	**168.28**	**202.04**

**includes goods in transit Rs. 7.52 (March 31, 2023 : Rs. 20.70).

For year ended March 31, 2024 Rs. 0.33 (March 31, 2023 : Rs 9.08) 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.

Notes to financial statements for the year ended March 31, 2024
All amounts are in Rupees Crore, except per share data and unless stated otherwise

12 (a) Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- Balances with banks in current accounts*	14.22	16.42
Total	**14.22**	**16.42**

There are repatriation restrictions of Rs. Nil (March 31, 2023 : Rs. 1.92) with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

* includes balance of Rs. Nil (March 31, 2023 : Rs. 1.92) in Exchange Earners Foreign Currency (EEFC) account.

12 (b) Other bank balances - at amortized cost

	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity :		
- more than three months but less than twelve months	227.11	276.27
- more than twelve months	-	2.08
Total	**227.11**	**278.35**

12 (c) Changes in liabilities arising from financing activities

	Borrowings
As on April 1, 2022	150.84
Cash flow	(25.44)
Interest accretion on preference shares	4.21
As on March 31, 2023	**129.62**
Cash flow	28.06
Interest accretion on preference shares	4.23
As on March 31, 2024	**161.91**

13 Share capital

	As at March 31, 2024	As at March 31, 2023
Authorized shares (Nos)		
900,000,000 (March 31, 2023: 900,000,000) equity shares of Rs. 10/- each	900.00	900.00
100,000,000 (March 31, 2023: 100,000,000) redeemable preference shares of Rs. 10/- each	100.00	100.00
	1,000.00	**1,000.00**
Issued, subscribed and fully paid share capital (Nos)		
628,222,500 (March 31, 2023: 628,222,500) equity shares of Rs. 10/- each	628.22	628.22
Total issued, subscribed and fully paid-up share capital	**628.22**	**628.22**

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

	No. of shares	Rs.
Equity share of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2022	628,222,500	628.22
Changes during the year	-	-
As at March 31, 2023	628,222,500	628.22
Changes during the year	-	-
As at March 31, 2024	**628,222,500**	**628.22**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 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 share capital held by holding company

	As at March 31, 2024	As at March 31, 2023
Holding company		
Thermax Limited		
628,222,500 (March 31, 2023: 628,222,500) equity shares of Rs. 10/- each fully paid	628.22	628.22

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

	As at March 31, 2024	As at March 31, 2023
Thermax Limited		
%	100.00	100.00
No. of shares	628,222,500	628,222,500

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 shares held by promoters

	As at March 31, 2024	As at March 31, 2023
Thermax Limited		
%	100.00	100.00
No. of Shares	628,222,500	628,222,500
% of change during the year	-	-

(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.

Notes to the Financial Statements for the year ended March 31, 2024

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

14 Other equity

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Capital reserve (Note 13 (f))	156.91	156.91
Retained earnings		
Opening balance	(88.40)	(177.91)
Add: Profit for the year pertaining to the Company	132.36	92.18
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement gain/ (loss) on defined benefit plans		
Add: OCI for the year pertaining to the Company (net of tax Rs. 0.84 (March 31, 2023 : Rs. 0.89))	(2.50)	(2.67)
Net surplus in the Statement of profit and loss	**41.46**	**(88.40)**
Total Reserves and Surplus	**198.37**	**68.51**
Other Reserves		
Effective portion of cash flow hedge reserve		
Opening balance	(3.30)	2.26
Add: Movement during the year (net)	3.79	(7.43)
Less: Tax on Movement during the year	(0.95)	1.87
Closing balance	**(0.46)**	**(3.30)**
Share based payment reserve (Note 37)		
Opening balance	0.47	-
Add: Shared based payment expense	0.80	0.47
Less: Reduction on account of allotment of equity shares	(1.21)	-
Closing balance	0.06	0.47
Total	**197.97**	**65.68**

Nature and purpose

Capital reserve

Pertains to reserve created towards buyback of shares in earlier years and can be utilised in accordance with the provisions of the Act.

Cash flow hedge reserve

Pertains to 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

Pertains to equity settled share based payment plan issued by Parent Company for certain categories of employees of the Company (refer note 37)

15 Borrowings

(a) Non-current borrowings

	As at March 31, 2024	As at March 31, 2023
At fair value through profit and loss		
Preference Shares (52,700,000 (March 31, 2023: 52,700,000) redeemable preference shares of Rs. 10/- each)^	76.85	72.62
Total non-current borrowings	**76.85**	**72.62**
Less: amount disclosed under the head "Current borrowings" (note 15 (b))		
- Current maturities of long-term borrowings	(76.85)	-
	-	**72.62**

^Preference shares pertain to 8% (March 31, 2023 : 8%) cumulative redeemable preference shares issued to the Holding Company redeemable in July 2024.

This forms a part of the authorized share capital of 100,000,000 (March 31, 2023 : 100,000,000) redeemable preference shares of Rs 10 each as per the Act.

(b) Current borrowings

	As at March 31, 2024	As at March 31, 2023
At amortized cost		
Secured loans from banks	35.00	-
Unsecured loans from banks	50.06	57.00
At fair value through profit and loss		
Current maturities of long-term borrowings	76.85	-
Total	**161.91**	**57.00**

Secured loans pertains to packing credit of Rs.35.00 (March 31, 2023 : Rs. Nil) carries an interest rate of 5.75% due for repayment within a maximum of 90 days from date of disbursement. These loans are secured by hypothecation of present and future stock of all inventories, stores and spares not related to plant and equipment, bills receivable & book debts.

Unsecured loans includes packing credit of Rs.50.00 (March 31, 2023 : Rs. 57.00) carries an interest rate of 5.61% (March 31, 2023 : 5.70% to 5.75%) due for repayment within a maximum of 87 days (March 31, 2023 : 175 days) from date of disbursement and bank overdraft of Rs 0.06 (March 31, 2023 : Nil) carries an interest rate of 8.58% (March 31, 2023 : Nil)

16 Trade payables at amortized cost

(a) Current trade payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (note 16 (b))	102.51	138.68
Total outstanding dues of creditors other than micro and small enterprises		
(i) Related parties (note 31)	11.20	38.54
(ii) Others	243.29	256.18
Total	**357.00**	**433.40**

Notes to financial statements for the year ended March 31, 2024
All amounts are in Rupees Crore, except per share data and unless stated otherwise

For terms and conditions with related parties, refer note 31.

Trade payables are non-interest bearing and are generally on terms of 30 to 90 days.

(b) Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	March 31, 2024	March 31, 2023
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*	100.64	137.61
- Interest due thereon	1.87	1.07
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	-	-
The amount of payment made to the supplier beyond the appointed day during the year	209.45	114.67
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	0.78	0.48
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.80	0.60
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	1.07	0.47

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company

The ageing of current trade payables which are due for payment :

Particulars	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	
As at March 31, 2024						
(i) Micro and Small enterprises	100.11	0.89	0.22	0.10	0.46	**101.78**
(ii) Others	173.82	3.94	13.44	2.22	1.60	**195.02**
(iii) Disputed dues- Micro and Small enterprises	-	-	-	-	0.73	**0.73**
(iii) Disputed dues- Others	-	-	-	-	-	**-**
Unbilled Trade Payables						**59.47**
Total	**273.93**	**4.83**	**13.66**	**2.32**	**2.79**	**357.00**

Particulars	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	
As at March 31, 2023						
(i) Micro and Small enterprises	124.54	11.96	0.36	0.14	0.95	**137.95**
(ii) Others	95.77	104.11	11.90	8.27	3.97	**224.02**
(iii) Disputed dues- Micro and Small enterprises	-	-	-	-	0.73	**0.73**
(iii) Disputed dues- Others	-	-	-	-	-	**-**
Unbilled Trade Payables						**70.70**
Total	**220.31**	**116.07**	**12.26**	**8.41**	**5.65**	**433.40**

17 Financial liabilities

(a) Other non current liabilities

	As at March 31, 2024	As at March 31, 2023
At amotized cost		
Liability towards employee separation scheme	0.22	0.75
Total	**0.22**	**0.75**

(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	0.87	4.82
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	0.38	0.23
At amortized cost		
Liability towards employee separation scheme	0.45	0.62
Employee related payables	25.72	20.15
Other payables*	1.17	1.23
Total	**28.59**	**27.05**

* includes employee recoveries payable, etc.

18 Provisions

(a) Non-current provisions

	As at March 31, 2024	As at March 31, 2023
Other provisions		
Provision for warranties	5.01	6.70
Provision for decommissioning liability	2.85	2.75
Total	**7.86**	**9.45**

Notes to the Financial Statements for the year ended March 31, 2024
All amounts are in Indian Rupees Crore, except per share data and unless stated otherwise

(b) Current provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for leave encashment	16.25	15.17
	16.25	**15.17**
Other provisions		
Provision for onerous contracts	9.23	5.49
Provision for warranties	62.45	55.30
	71.68	**60.79**
Total	**87.93**	**75.96**

Provision for decommissioning liability

A provision has been recognised for decommissioning costs associated with the properties taken on lease by the Company. The Company is committed to decommission the site as a result of the construction of manufacturing facility. The timing of cash outflows in respect of such provision cannot be reasonably determined.

Provision for warranties

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and based on past experience in respect of such costs. It is expected that this expenditure will be incurred over the contracted warranty period ranging upto 2 years. If warranty claim costs vary by 10% from management's estimate, the warranty provisions would be an estimated Rs. 6.75 higher or lower (March 31, 2023 Rs. 6.20).

Provision for onerous contracts

A provision is made when the unavoidable costs of meeting the obligations under a contract exceed the estimated economic benefits from it. The timing of cash outflows in respect of such provision is over the contract period.

Movement in provisions

	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
As at April 1, 2023			
Balance at the beginning	5.49	62.00	2.75
Additional provision recognised	5.18	32.00	0.10
Unused amounts reversed	-	(16.20)	-
Unwinding of discount	-	3.64	-
Utilised during the year	(1.44)	(13.98)	-
As at March 31, 2024	**9.23**	**67.46**	**2.85**
Details of provisions :			
Current	9.23	62.45	-
Non-Current	-	5.01	2.85
Total	**9.23**	**67.46**	**2.85**

19 Other liabilities

(a) Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Unearned revenue (Contract liability)	161.99	220.92
Customer advances (Contract liability)		
(i) Related Parties (note 31)	17.59	37.65
(ii) Others	392.62	358.71
Statutory dues and other liabilities*	8.28	10.56
Total	**580.48**	**627.84**

* mainly includes tax deducted at source, tax collected at source, provident fund, ESIC, Goods and Services Tax etc.

For terms and conditions with related parties, refer note 31.

20 Revenue from operations

(a) Revenue from contracts with customers:

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from projects and products	2,110.24	1,933.79
Revenue from services	141.67	183.02
Total revenue from contracts with customers (a)	**2,251.91**	**2,116.81**

(b) Other operating income

	Year ended March 31, 2024	Year ended March 31, 2023
Export incentives	0.27	2.23
Sale of Scrap	8.14	12.17
Exchange fluctuation gain / (loss)*	(2.68)	(5.21)
Total other operating income (b)	**5.73**	**9.19**
Total revenue from operations (a+b)	**2,257.64**	**2,126.00**

* includes mark to market loss on forward contracts not subjected to hedge accounting Rs. 0.07 (mark to market gain on March 31, 2023 : Rs. 0.21).

(c) Disclosure pursuant to Ind AS 115: Revenue from Contracts with Customers

i) Revenue by category of contracts:

	March 31, 2024	March 31, 2023
Over a period of time basis	2,059.96	2,004.89
At a point-in-time basis	191.95	111.92
Total revenue from contracts with customers	**2,251.91**	**2,116.81**

Revenue by geographical market:

	March 31, 2024	March 31, 2023
Within India	1,956.35	1,747.47
Outside India	295.56	369.34
Total revenue from contracts with customers	**2,251.91**	**2,116.81**

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 6)	531.59	555.37
Unbilled revenue (Contract asset) (note 8(a) and 8(b))	218.85	184.62
Unearned revenue (Contract liability) (note 19)	161.99	220.92
Customer advances (Contract liability) (note 19)	410.21	396.36

Notes to financial statements for the year ended March 31, 2024
All amounts are in Rupees Crore, except per share data and unless stated otherwise

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 the 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:

	March 31, 2024	March 31, 2023
Unearned revenue	179.36	102.79
Customer advance	312.35	405.13

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 year is presented in the table below

	March 31, 2024	March 31, 2023
Opening unbilled revenue (Refer Note 8)	184.62	175.89
Opening unearned revenue (refer note 19)	220.92	113.66
- Transfer of contract assets to receivable from opening unbilled revenue	(172.20)	(161.49)
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	179.36	102.79
- Transfer of contract assets to receivables	(1,798.35)	(1,941.81)
- Increase in revenue as a result of changes in the measure of progress	1,880.60	1,902.10
- Others*	3.75	(0.12)
Closing unbilled revenue (refer note 8)	**218.85**	**184.62**
Closing unearned revenue (refer note 19)	**161.99**	**220.92**

* includes adjustments on account of onerous contracts, impairment allowance 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 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.

	March 31, 2024	March 31, 2023
Amount of revenue yet to be recognised for contracts having original expected duration of more than one year in progress as on reporting date	1,524.32	1,882.21

The Company 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.

The Company expects that a significant portion of the remaining performance obligation will be completed within next 2 years.

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.

21 Other income

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income from financial assets carried at amortized cost		
- Bank deposits and corporate deposits	29.92	19.35
- Other interest income	0.07	0.07
Fair value gain on financial instrument at fair value through profit and loss (net)	9.83	4.39
Liabilities no longer required written back	3.78	3.59
Miscellaneous income^^	3.09	2.53
Total	**46.69**	**29.93**

^^Majorly includes cash discounting to vendor Rs. 2.43 (March 31, 2023: Rs 2.03) and insurance claim of Rs.0.15 (March 31, 2023 : Rs. 0.25)

22 Cost of raw material and components consumed

	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year	185.62	158.97
Add: Purchases	1,357.96	1,335.53
	1,543.58	**1,494.50**
Inventories at the end of the year	148.77	185.62
Total	**1,394.81**	**1,308.88**

23 (Increase)/decrease in inventories of finished goods and work-in-progress

	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	8.27	18.56
Finished goods	2.53	3.19
	10.80	**21.75**
Less: inventories at the end of the year		
Work-in-progress	10.34	8.27
Finished goods	4.24	2.53
	14.58	**10.80**
Total	**(3.78)**	**10.95**

Notes to the Financial Statements for the year ended March 31, 2024

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

24 Employee benefits expense

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	170.86	145.77
Contribution to provident and other funds	12.47	10.58
Gratuity expense (note 30)	2.35	1.97
Staff welfare expenses	8.65	7.09
Share based payment expense (note 37)	0.80	0.47
Total	**195.13**	**165.88**

25 Finance cost

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense	8.53	7.89
Unwinding of discount	3.64	3.49
Total	**12.17**	**11.38**

26 Depreciation and amortization expense

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment (note 4 (a))	37.19	43.90
Amortisation of Right of Use Assets (note 4 (b))	0.72	0.72
Amortisation of intangible assets (note 4 (c))	1.05	1.06
Total	**38.96**	**45.68**

27 (a) Other expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	31.13	25.22
Power and fuel	11.12	10.11
Freight and forwarding charges (net of recovery)	72.20	97.88
Site expenses and contract labour charges	208.28	234.71
Drawing, design and technical service charges	16.06	15.20
Sales commission	5.80	5.10
Advertisement and sales promotion	1.74	3.00
Rent (note 29 B (b))	11.75	12.19
Rates and taxes	2.50	0.86
Insurance	2.24	2.03
Repairs and maintenance:		
Plant and machinery	4.19	3.45
Buildings	2.73	0.99
Others	8.91	8.04
Travelling and conveyance	19.77	17.50
Legal and professional fees (includes payment to auditor; refer note 27 (b))	5.95	3.40
Management fees (note 31)	39.73	27.27
CSR expenditure (note 27 (c))	1.45	0.79
Bad debts	33.23	2.22
Provision for impairment allowance of financial assets (net)	(27.08)	4.51
Warranty expenses (net)	15.80	3.22
Loss/(gain) on sale/ discard of assets (net)	0.65	(0.36)
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	18.11	19.29
Total	**486.26**	**496.62**

(b) Payment to auditors

	March 31, 2024	March 31, 2023
As auditor		
Audit and limited review fees	0.43	0.39
Tax audit fees	-	-
In other capacity		
Other services*	-	0.01
Reimbursement of expenses	0.01	0.02
Total	**0.44**	**0.42**

* less than one lakh.

(c) Corporate Social Responsibility (CSR)

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Gross amount required to be spent by the Company during the year	1.45	0.79
(b) Amount spent during the year^	1.45	0.79
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(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:	1.45	0.79

^The amount is contributed to Thermax Foundation, India (refer note 31) which is engaged in education of economically underprivileged children by addressing social discrimination through affirmative actions, skill development and employability initiatives.

There is no provison made in respect of CSR expenditure as at March 31,2024.

Thers is no shortfall in contribution as at March 31, 2024.

28 (a) Earnings per share

	March 31, 2024	March 31, 2023
Net profit after tax attributable to the Equity shareholders (a)	132.36	92.18
Weighted average number of Equity shares of Rs.10/- each (b)	628,222,500	628,222,500
Basic and diluted earnings per share (Rs.) (c) = (a)/(b)	2.11	1.47

28 (b) 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

	Effective portion of cash flow hedge reserve	Retained Earnings	Total
Foreign exchange forward contracts	2.50	-	2.50
Reclassified to Statement of profit or loss (Net)	0.34	-	0.34
Re-measurement gains on defined benefit plans	-	(2.50)	(2.50)
Total	**2.84**	**(2.50)**	**0.34**

Notes to financial statements for the year ended March 31, 2024
All amounts are in Rupees Crore, except per share data and unless stated otherwise

For the year ended March 31, 2023

	Effective portion of cash flow hedge reserve	Retained Earnings	Total
Foreign exchange forward contracts	(3.20)	-	(3.20)
Reclassified to Statement of profit or loss (Net)	(2.36)	-	(2.36)
Re-measurement gains on defined benefit plans	-	(2.67)	(2.67)
Total	**(5.56)**	**(2.67)**	**(8.23)**

29 Contingent liabilities and commitments

A Contingent liabilities

a)

Particulars (excluding of interest and penalty thereon)	March 31, 2024	March 31, 2023
Income Tax matters (#)	36.96	102.30
Excise, Customs Duty and Service tax	6.80	6.80
Sales Tax ($)	5.15	5.21

During the FY 2023-24, Income Tax Appellate Tribunal (ITAT) has issued an order in favour of the Company for AY 2017-18. Hence Company has reduced the contingent liability to that extent in current year.

During the FY 2022-23, Company 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 Company has filed an stay of demand against the said order. Based on the advice obtained from tax expert, the Company's management believes that the probability of any outflow in respect of this order is remote and hence not considered in contingent liability.

$ From FY 2006-07 to FY 2015-16, the Company has indicated a contingent liability of Rs. 4.36 (March 31, 2023 : Rs.5.27) for various demand notices received by the Holding company. These liabilities are related to part of the acquired business.

b) As part of the slump purchase agreement in financial year 2019-2020 with the Holding Company, the Company had acquired liabilities relating to demand notices/show cause-cum-demand notices from the Excise department covering period from June 2000 till June 2017 for Rs. 1,238.85 crores (including penalty but excluding interest and further penalty thereon). (March 31, 2023 : Rs. 1,238,85)

These demands were of excise duty payable on inclusion of the cost of bought out items in the assessable value of certain products manufactured by the Company, though such duty paid bought out items are directly dispatched by the manufacturers thereof to the ultimate customer, without being received in the Company's factory. The Holding Company had filed an appeal against the same before CESTAT, Mumbai which was allowed in favour of the Holding Company during the year.

Subsequently, 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 Holding Company is confident of the issue being ultimately decided in its favour.

c) Others

	March 31, 2024	March 31, 2023
Liability for export obligations	1.93	1.32
Claims against the Company not acknowledged as debt*	0.55	0.55

The Company has imported goods against advance licences. The timing and amount of the liability which will arise from above matters, will be determined by the relevant authorities on settlement of the cases.

*Claims against the Company not acknowledged as debt on account of ongoing legal dispute. Based on the legal opinion on few matters and management assessments of the facts of the case, no provision is considered for the subject matters. Pending resolution of the matters, it is not practicable to estimate the timing of cash outflows, if any.

d) The Company has issued various guarantees for performance, deposits, tender money, advances,etc to customers. The management has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here.

B Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 6.18 (March 31, 2023 : Rs. 1.40).

b) Lease commitments

Operating lease: Company as lessee

The Company has taken office buildings and factory shed on operating lease. The tenure of such leases ranges from 1 to 5 years. Lease rentals are charged to the Statement of profit and loss for the year. There are no sub-leases. The leases are renewable on mutually agreeable terms. At the expiry of the lease term, the company has an option to terminate the agreement or extend the term by giving notice in writing.

Details of amounts recognised in statement of profit and loss

	March 31, 2024	March 31, 2023
Expense relating to short-term leases (included in other expenses)	10.58	10.91
Expense relating to leases of low-value assets (included in other expenses)	1.17	1.28
	11.75	**12.19**

30 Gratuity

"The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed the 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 governed by a Board of Trustees.

The fund is subject to risks like changes in assets yields. 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. 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.

Notes to the Financial Statements for the year ended March 31, 2024
All amounts are in Indian Rupees Crore, except per share data and unless stated otherwise

I Changes in the net benefit obligation and fair value of plan assets are as follows :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2022	**30.24**	**(36.67)**	**(6.43)**
Current service cost	2.52	-	**2.52**
Interest expense/(income)	2.04	(2.59)	**(0.55)**
Total amount recognised in Profit or Loss	**4.56**	**(2.59)**	**1.97**
Actuarial loss from change in financial assumptions	3.56	-	**3.56**
Total amount recognised in Other Comprehensive Income	**3.56**	**-**	**3.56**
Employer contributions	-	(3.37)	**(3.37)**
Benefits paid	(2.62)	2.62	**-**
March 31, 2023	**35.74**	**(40.01)**	**(4.27)**
Current service cost	2.83	-	**2.83**
Interest expense/(income)	2.43	(2.91)	**(0.48)**
Total amount recognised in Profit or Loss	**5.26**	**(2.91)**	**2.35**
Actuarial loss from change in assumptions	3.43	(0.09)	**3.34**
Total amount recognised in Other Comprehensive Income	**3.43**	**(0.09)**	**3.34**
Employer contributions	-	(4.23)	**(4.23)**
Benefits paid	(4.98)	4.98	**-**
Transfer In/(out)	(0.78)	0.78	**-**
March 31, 2024	**38.67**	**(41.48)**	**(2.81)**

II The net liability disclosed above relates to funded plans are as follows :

	March 31, 2024	March 31, 2023
Present value of funded obligation	38.67	35.74
Fair value of plan assets	(41.48)	(40.01)
Deficit/(Surplus) of funded plan	**(2.81)**	**(4.27)**

III Significant assumptions

The principal actuarial assumptions were as follows :

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.20%	7.40%
Salary growth rate	7.00%	7.00%
Expected return on plan assets	7.40%	6.90%
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	workers 5%, staff 12%	workers 5%, staff 12%

IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	March 31, 2024	March 31, 2023
Discount rate		
1.00% increase	Decrease by 1.98	Decrease by 1.79
1.00% decrease	Increase by 2.21	Increase by 2.00
Future salary increase		
1.00% increase	Increase by 1.83	Increase by 1.66
1.00% decrease	Decrease by 1.68	Decrease by 1.52
Attrition rate		
1.00% increase	Increase by 0.22	Increase by 0.05
1.00% decrease	Decrease by 0.02	Decrease by 0.03

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 to the defined benefit plan in future years:

Particulars	March 31, 2024	March 31, 2023
Within next 12 months	7.55	6.56
Between 2-5 years	21.44	12.81
Between 6-10 years	27.77	23.98

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.38 years (March 31, 2023 : 7.5 years)

The Company expects to contribute Rs.1.00 to gratuity fund in the next year (March 31, 2023 : Rs. 2.83)

V The major categories of plan assets are as follows:

Particulars	March 31, 2024	March 31, 2023
Investments with Insurer (LIC of India)	100.00%	100.00%

31 Related party disclosures

A Ultimate Holding Company

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	RDA Holdings Private Limited	India

B Holding Company

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Limited	India

C Fellow subsidiaries

Related parties with whom transactions have taken place during the year and previous year :

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Instrumentation Limited	India
2	Thermax Engineering Construction Company Limited	India
3	Thermax Europe Limited	United Kingdom
4	Thermax Cooling Solutions Limited	India
5	Thermax Onsite Energy Solutions Limited	India
6	PT Thermax International, Indonesia	Indonesia
7	Thermax International Tanzania Limited	Tanzania
8	Thermax BioEnergy Solutions Private Limited	India
9	Thermax (Thailand) Limited	Thiland
10	First Energy Private Limited	India

Notes to financial statements for the year ended March 31, 2024
All amounts are in Rupees Crore, except per share data and unless stated otherwise

D Enterprises over which control is exercised by Individuals having Significant influence over the company and Key Management Personnel

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Foundation	India

E Key Management Personnel:

1 Mr. Ashish Bhandari - Director and Chairman

2 Mr. Ravinder Advani - Director

3 Mr. Pravin Karve- Director (CEO till July 29, 2022)

4 Mr. Rajesh Bukinkere- Director and CEO (Appointed on February 06, 2024)

5 Mr. Shekhar Kashalikar- Director and CEO (resigned on September 30, 2023)

6 Mr. Rajendran Arunachalam- Director

7 Mr. Nawshir Mirza - Non Executive Director

8 Mrs. Rajani Kesari - Non Executive Director

9 Mr. Shyamak Tata - Non Executive Director (Appointed on February 06, 2024)

10 Mr. Bhavesh Chheda - Chief Financial Officer

11 Ms. Apurva Gupte - Company Secretary

F Individuals having control or significant influence over the Company by reason of voting power, and their relatives:

1 Mrs. Meher Pudumjee - Chairperson of Holding Company

2 Mrs. Anu Aga - Relative of Chairperson of Holding Company

3 Mr. Pheroz Pudumjee - Director of Holding Company

4 Mr. Zahaan Pudumjee - Relative of Chairperson of Holding Company

5 Ms. Lea Pudumjee - Relative of Chairperson of Holding Company

G Transactions with related parties:

	Holding Company		Fellow subsidiaries		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		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
a. Transactions during the year										
Revenue from contracts with customers	128.26	178.07	0.16	0.36	-	-	-	-	**128.42**	**178.43**
Recovery of expenses	1.76	1.53	0.12	-	-	-	-	-	**1.88**	**1.53**
Purchase of raw material and components	45.74	63.45	0.08	0.11	-	-	-	-	**45.82**	**63.56**
Site expenses and contract labour charges	-	1.80	-	-	-	-	-	-	**-**	**1.80**
Reimbursement of expenses	6.52	6.07	0.36	0.25	-	-	-	-	**6.88**	**6.32**
Remuneration to key management personnel*	-	-	-	-	-	-	9.52	4.90	**9.52**	**4.90**
Purchase of property, plant and equipment	-	2.29	-	-	-	-	-	-	**-**	**2.29**
Other expenses#	7.71	10.09	0.06	-	-	-	-	-	**7.77**	**10.09**
Management fees	39.73	27.27	-	-	-	-	-	-	**39.73**	**27.27**
Director's sitting fees	-	-	-	-	-	-	0.12	0.13	**0.12**	**0.13**
Donation	-	-	-	-	1.45	0.79	-	-	**1.45**	**0.79**
Commission paid	-	-	-	-	-	-	0.17	0.15	**0.17**	**0.15**
Rent paid	4.37	4.25	-	-	-	-	-	-	**4.37**	**4.25**
Director's sitting fees	-	-	-	-	-	-	0.13	0.14	**0.13**	**0.14**
Donation	-	-	-	-	0.79	0.26	-	-	**0.79**	**0.26**
Commission paid	-	-	-	-	-	-	0.15	0.12	**0.15**	**0.12**
Rent paid	4.25	4.25	-	-	-	-	-	-	**4.25**	**4.25**

*Does not include gratuity and leave encashment since the same is calculated for all employees of the Company as a whole.

Includes other cost allocation from Holding Company for legal expenses, software expenses, etc.

Transaction carried out by Holding Company as agent with the company :

Description	March 31, 2024	March 31, 2023
Revenue from contracts with customers	0.06	8.71
Purchase of raw material and components	194.22	52.07

The above table excludes other reimbursements or recoveries in the nature of employee costs incurred by Holding Company in the capacity of agent.

Notes to the Financial Statements for the year ended March 31, 2024

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

	Holding Company		Fellow subsidiaries		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		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
b.Balances as at reporting date										
Trade receivables	23.57	30.74	0.08	0.75	-	-	-	-	**23.65**	**31.49**
Advance to suppliers	2.26	9.32	0.02	-	-	-	-	-	**2.28**	**9.32**
Trade payables	10.69	38.30	0.51	0.24	-	-	-	-	**11.20**	**38.54**
Unbilled revenue	3.43	5.93	-	-	-	-	-	-	**3.43**	**5.93**
Customer advances	17.59	37.65	-	-	-	-	-	-	**17.59**	**37.65**
Commission payable	-	-	-		-	-	0.17	0.15	**0.17**	**0.15**
Corporate guarantees issued on behalf of Company	528.60	2,155.02	-	-	-	-	-	-	**528.60**	**2,155.02**

H 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' above):

	March 31, 2024	March 31, 2023
Transactions during the year		
Revenue from contracts with customers		
Thermax Limited, India	128.26	178.06
Recovery of expenses		
Thermax Limited, India	1.76	1.53
Purchase of raw material and components		
Thermax Limited, India	45.74	63.45
Site expenses and contract labour charges		
Thermax Limited, India	-	1.80
Reimbursement of expenses		
Thermax Limited, India	6.52	6.07
Remuneration to key management personnel, excluding commission		
Mr. Pravin Karve*	6.12	2.58
Mr. Bhavesh Chheda	0.73	0.62
Mr. Shekhar Kashalikar*	2.04	1.63
Ms. Apurva Gupte	0.10	0.07
Mr Rajesh Bukinkere	0.53	-
Purchase of property, plant and equipment		
Thermax Limited, India	-	2.29
Other expenses		
Thermax Limited, India	7.71	10.09
Management fees		
Thermax Limited, India	39.73	27.27
Director's sitting fees		
Mr. Nawshir Mirza	0.04	0.04
Mr. Ravinder Advani	0.03	0.05
Mrs. Rajani Kesari	0.05	0.04
Donation		
Thermax Foundation, India	1.45	0.79
Commission Paid		
Mr. Nawshir Mirza	0.08	0.07
Mr. Ravinder Advani	0.05	0.04
Mrs. Rajani Kesari	0.05	0.04
Rent paid		
Thermax Limited, India	4.37	4.25

*Includes Rs. 1.21 paid to Holding Company for Employee Stock Option Scheme exercised by the Key Management Personnel

	March 31, 2024	March 31, 2023
Balances as at year end		
Trade receivables		
Thermax Limited, India	23.57	30.74
Advance to suppliers		
Thermax Limited, India	2.26	9.32
Trade payables		
Thermax Limited, India	10.69	38.30
Unbilled revenue		
Thermax Limited, India	3.43	5.93
Customer advances		
Thermax Limited, India	17.59	37.65
Commission Payable		
Mr. Nawshir Mirza	0.08	0.07
Mr. Ravinder Advani	0.05	0.04
Mrs. Rajani Kesari	0.05	0.04
Corporate guarantees issued on behalf of company		
Thermax Limited, India	528.60	2,155.02

I Terms and conditions of related party transactions

The sales to 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 and settlement occurs in cash (excluding loan outstanding).

There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Company has recorded an impairment of receivables relating to amounts owed by related parties of Rs. 6.56 (March 31, 2023 : Rs. 4.68). 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.

32 Segment information

The Company's portfolio includes subcritical and supercritical boilers and related services. The Director and CEO of the Company has been identified as the Chief Operating Decision Maker ('CODM'). For management purposes, the Company reports the details of operating segments as a single segment for "industrial infra (energy and allied services)". The CODM reviews the information for this single segment only. Accordingly, the Company has provided only geographical segment disclosures.

Notes to financial statements for the year ended March 31, 2024

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

	March 31, 2024	March 31, 2023
Revenue^		
Within India	1,956.35	1,747.47
Outside India	295.56	369.34
Total Revenue	**2,251.91**	**2,116.81**
Carrying Amount of non current assets		
Within India	323.86	352.03
Outside India	-	-
Total Asset	**323.86**	**352.03**
Addition to plant, property and equipment and intangible assets		
Within India	3.13	6.97
Outside India	-	-
Total Addition to plant, property and equipment and intangible assets	**3.13**	**6.97**

^During the current financial year there are two external customers who contributes 10% or more of total revenue amounting Rs 546.17 . During the last financial year there were no external customer who contributes 10% or more of total revenue.

33 Fair value measurements

a) Category of financial instruments and valuation techniques

Details of financial assets carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Trade receivables	531.59	555.37
Loans	1.20	1.57
Investments	108.96	108.11
Other financial asset	223.66	189.44
Cash and cash equivalents	14.22	16.42
Bank balances other than cash and cash equivalents	262.12	289.35
Total	**1,141.75**	**1,160.26**
Current assets	1,083.43	1,134.78
Non-current assets	58.32	25.48
Total	**1,141.75**	**1,160.26**

The management has assessed that the carrying amounts of the above financial instruments appoximate 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	299.16	89.76
Total	**299.16**	**89.76**
Current assets	299.16	89.76
Non-current assets	-	-
Total	**299.16**	**89.76**

The fair values of mutual funds are based on price quotations 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	0.36	0.46
Derivative not designated as hedges		
Foreign exchange forward contracts	0.31	0.44
Total	**0.67**	**0.90**
Current assets	0.67	0.90
Non-current assets	-	-
Total	**0.67**	**0.90**

Details of derivative liabilities

	As at March 31, 2024	As at March 31, 2023
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	0.87	4.82
Derivative not designated as hedges		
Foreign exchange forward contracts	0.38	0.23
Total	**1.25**	**5.05**
Current liabilities	1.25	5.05
Non-current liabilities	-	-
Total	**1.25**	**5.05**

The Company 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. 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.

Details of financial liabilities carried at amortised cost

	As at March 31, 2024	As at March 31, 2023
Borrowings	85.06	57.00
Trade payables	357.00	433.40
Employee related payables	26.39	21.52
Other liabilities	1.17	1.23
Total	**469.62**	**513.15**
Current liabilities	469.40	512.40
Non current liabilities	0.22	0.75
Total	**469.62**	**513.15**

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

Details of financial liabilities carried at fair value

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings		
Preference Shares (52,700,000 (March 31, 2023 : 52,700,000) redeemable preference shares of Rs. 10/- each)	76.85	72.62
Total	**76.85**	**72.62**
Current liabilities	76.85	-
Non-current liabilities	-	72.62
Total	**76.85**	**72.62**

The management has assessed that the carrying amounts of the above financial instruments appoximate their fair values.

b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2024

	Date of valuation	Level 1	Level 2	Level 3*
Financial assets				
Investments				
Mutual funds	March 31, 2024	299.16	-	-
Corporate deposit	March 31, 2024		108.96	
Derivative financial assets	March 31, 2024	-	0.67	-
Financial liabilities				
Derivative financial liabilities	March 31, 2024	-	1.25	-
Borrowings	March 31, 2024	-	-	76.85

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2023

	Date of valuation	Level 1	Level 2	Level 3*
Financial assets				
Investments				
Mutual funds	March 31, 2023	89.76	-	-
Corporate deposit	March 31, 2023	-	108.11	-
Derivative financial assets	March 31, 2023	-	0.90	-
Financial liabilities				
Derivative financial liabilities	March 31, 2023	-	5.05	-
Borrowings	March 31, 2023	-	-	72.62

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 recognized under interest income in the statement of profit and loss.

34 (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 trade and other receivables, loans and cash and cash equivalents that it derives directly from its operations. The Company holds FVTPL investments and also enters into derivative transactions.

Risk is inherent in the Company'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 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 as the loans taken were from the Parent Company. The Company repaid the loan during the previous year.

The outstanding loans as on date pertains to packing credit where changes in the interest rates are not expected to be significant.

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 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.

Notes to financial statements for the year ended March 31, 2024
All amounts are in Rupees Crore, except per share data and unless stated otherwise

	Impact on profit before tax		Impact on other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD Sensitivity				
INR/ USD - Increase by 1%	(0.76)	(0.03)	(1.82)	(0.20)
INR/ USD - Decrease by 1%	0.76	0.03	1.82	0.20
JPY Sensitivity				
INR/ JPY - Increase by 1%	(0.02)	(0.00)	-	-
INR/ JPY - Decrease by 1%	0.02	0.00	-	-
EURO Sensitivity				
INR/ EUR - Increase by 1%	0.06	(0.03)	(0.01)	(0.35)
INR/ EUR - Decrease by 1%	(0.06)	0.03	0.01	0.35

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 mutual fund instruments. Further, the price risk is also mitigated by switching the investment portfolio between investment in mutual fund instruments and investments in bank deposits/corporate 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 / Contract assets

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 of each class of financial assets disclosed in notes 6 and 8(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 8(a) and 12, maximum exposure relating to financial derivative instruments is disclosed in notes 8(b) and 17(b) 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, 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.

(i) Maturities of financial liabilities

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	161.91	-	-
Trade Payables	357.00	-	-
Other financial liabilities			
Other payables	27.34	0.22	-
Derivatives (net settled)			
Foreign exchange forward contracts	1.25	-	-

March 31, 2023	< 1 year	1 to 3 years	> 3 years
Non- derivative			
Borrowings	57.00	72.62	-
Trade Payables	433.40	-	-
Other financial liabilities			
Other payables	22.00	0.75	-
Derivatives (net settled)			
Foreign exchange forward contracts	5.05	-	-

34 (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 and forecast purchases in USD and EUR. These forecast transactions are highly probable, and fully 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.

Notes to the Financial Statements for the year ended March 31, 2024
All amounts are in Indian Rupees Crore, except per share data and unless stated otherwise

	March 31, 2024		March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign exchange forward contracts designated as hedging instrument	0.67	(1.25)	0.90	(5.05)

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.

	March 31, 2024		March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Foreign exchange forward contracts	283.09	-	138.74	-
Derivatives not designated as hedges				
Foreign exchange forward contracts	122.92	63.47	51.57	41.09

All 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.

	March 31, 2024		March 31, 2023	
	Expected future sales	Expected future purchases	Expected future sales	Expected future purchases
Unrealised gain/(Loss)	(0.19)	-	(4.71)	-
Deferred tax asset/(liability)	0.05	-	1.19	-
	(0.14)	**-**	**(3.52)**	**-**

35 Key Financial Ratios

Ratios	Numerator	Denominator	March 31, 2024	March 31, 2023	Change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.34	1.28	4.22%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.20	0.19	4.91%	
Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + short term borrowings	1.89	2.18	-13.02%	
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	17.41%	14.14%	23.12%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	7.51	6.82	10.16%	
Debtors turnover ratio	Net sales = Gross sales - sales return	Average Trade Receivable	4.14	4.17	-0.56%	
Trade payables turnover ratio	*Net purchases	Average Trade Payables	4.63	4.24	9.12%	
Net working capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	5.43	6.10	-11.07%	
Net Profit ratio	Net Profit after tax	Net sales = Total sales - sales return	5.88%	4.35%	34.97%	Refer 35 (a)
Return on capital employed	Earnings before interest and taxes	Capital Employed = Net Worth + Total long term Debt	23.35%	16.69%	39.94%	Refer 35 (b)
Return on investment	Interest (Finance Income)	Average Investment	7.53%	5.06%	48.79%	Refer 35 (c)

*Net credit purchases = Gross credit purchases - purchase return + staff welfare + Other expenses (Excluding Bad debts written off, Provision for impairment allowance on financial assets, warranty expenses & Loss on sale/discard of assets)

35(a) Higher profitability due to better gross margin has resulted in higher net profit ratio.

35(b) Higher profitability resulted into better return on capital employed.

35(c) Increase in rate of return on investments resulted in higher return on investments

Notes to financial statements for the year ended March 31, 2024
All amounts are in Rupees Crore, except per share data and unless stated otherwise

36 Struck off companies

Below are details of invesment, receivable, payable and any other transactions outstanding with struck off companies.

For the year ended March 31, 2024

Name of struck off company	Nature of other outstanding balances	Transactions During the Year	Balance outstanding	Relationship with the struck off Company, if any, to be disclosed
Compact Global Private Limited	Payable	-	0.65	None

For the year ended March 31, 2023

Name of struck off company	Nature of other outstanding balances	Transactions During the Year	Balance outstanding	Relationship with the struck off Company, if any, to be disclosed
Compact Global Private Limited	Payable	-	0.65	None

37 Share based payments

Employees Stock Option Plan 2021 (ESOP 2021)

The Parent Company approved Employee Stock Option Plan in financial year 2021-22. Pursuant to this approval, the Parent Company instituted ESOP 2021 Plan in January 2022. The compensation committee of the Parent Company administers this Plan. Each option carries with it the right to purchase one equity share of the Parent Company. The Options have been granted to employees of the Company 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	March 31, 2024		March 31, 2023	
	No.of options	**Weighted average exercise price per share (Rs.)**	**No.of options**	**Weighted average exercise price per share (Rs.)**
Options outstanding at the beginning of the year	4,241	15.25	-	-
Granted during the year	3,471	15.25	4,241	15.25
Forfeited during the year	-	15.25	-	15.25
Exercised during the year	5,236	15.25	-	-
Lapsed during the year	2,022	15.25	-	-
Options outstanding at the end of year	454	15.25	4,241	15.25
Options exercisable at the end of the year	-	15.25	-	15.25

The weighted average remaining contractual life is as follows:

Particulars	March 31, 2024	March 31, 2023
Exercise price	Rs. 15.25 per share	Rs. 15.25 per share
Weighted average contractual life (years)	1.83 Years	5 Years
No. of Options	454	4,241

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 underlying share in the market at the time of option grant (Rs.)	2415.85	2139.45
3. Weighted average fair value of options granted (Rs)	2381.36	2105.66
4. Expected life of the option (years)	3.00	3.00
5. Risk free interest rate (%)	7.04%	6.59%
6. Expected volatility (%)	13.14%	12.86%
7. Dividend yield (%)	0.48%	0.48%

During the year ended March 31, 2024, the weighted average share price of options exercised under the ESOP 2021 Plan on the date of exercise was Rs. 2,869.11 per share.

The Company recorded an employee compensation cost of Rs. 0.80 (March 31, 2023 : Rs 0.47) 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.

38 (a) Compliance with section 143(3) for maintenance of books of account

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 and records pertaining to employee reimbursement system maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

(b) The Company 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 that audit trail feature is not enabled for direct changes to data for users with certain privileged access rights to the Infor Baan application. Further no instance of audit trail feature being tampered with was noted in respect of other software.

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 Parent Company.

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

	March 31, 2024	March 31, 2023
Borrowings	161.91	129.62
Less: Cash and cash equivalents	(14.22)	(16.42)
Net debt	**147.69**	**113.20**
Equity	826.19	693.90
Capital and net debt	**973.88**	**807.10**
Gearing ratio	**1 : 6.59**	**1 : 7.13**

40 Assets classified as held for sale

In FY 2022-23, Company had identified certain plant and equipments as held for sale as it was available for sale in present condition and the Company was committed to plan the sale of asset and an active programme to complete the sale had been initiated. Accordingly, non-current assets held for sale amounting to Rs. 1.37 (net book value of plant and equipments) had been classified in the books of account. In FY 2023-24, these assets were sold for consideration of Rs. 1.37.

41 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period,

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) (A) The Company has not advanced or loaned or invested funds to any other person or entity, 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.

(B) The Company has 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,

(v) 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)

(vi) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per **Sumit Kumar Agrawal**
Partner
Membership No. 135859

Place: Pune
Date: May 08, 2024

For and on behalf of the Board of Directors of
Thermax Babcock & Wilcox Energy Solutions Limited

Rajendran Arunachalam
Director
DIN: 08446343

Rajesh Bukinkere
Director and CEO
DIN: 10486449

Bhavesh Chheda
Chief Financial Officer

Apurva Gupte
Company Secretary

Place: Pune
Date: May 08, 2024

First Energy Private Limited

Board of Directors	Registered Office	Auditors
Hemant Mohgaonkar Rajendran Arunachalam Ashish Bhandari Meher Pudumjee	Thermax House, 14, Mumbai – Pune Road, Wakdewadi, Pune – 411003	Price Waterhouse & Co. Chartered Accountants LLP 7th Floor, Business Bay, Tower A, Wing -1, Airport Road, Yerwada, Pune 411006
Key Managerial Personnel	**Bankers**	**Corporate Office**
Ravi Damaraju, CEO Mitish Somani, CFO (upto April 05, 2024) Sampada Sakhare, CS Sumit Rathi, CFO (w.e.f. May 06, 2024)	HSBC Bank ICICI Bank	Unit No. 601, 6th Floor, Cello Platina, F.C. Road, Shivajinagar, Pune 411005

DIRECTORS' REPORT

Dear Shareholder,

The Directors have the pleasure of presenting the Sixteenth Annual Report of the Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Total income	4,929.13	2,082.38	9,110.03	1,932.64
Profit/(Loss) before depreciation	(1,308.43)	(1,519.53)	(802.13)	(1,882.42)
Depreciation and impairment	91.89	72.65	2,472.46	164.05
Profit/(Loss) before tax	(1,400.32)	(1,592.19)	(3,274.59)	(2,046.47)
Provision for taxation (incl. deferred tax)	-	36.16	29.32	43.37
Items that not to be reclassified to profit or loss	(17.98)	4.75	(17.98)	4.75
Profit/(Loss) after tax	(1,418.30)	(1,623.59)	(3,321.89)	(2,085.09)

State of Company's Affairs

The Company has completed one year of operation of its first set of projects comprising of a 16MWp Group Captive, solar project in the state of Tamil Nadu and an 11.5 MWp Captive solar project in Maharashtra. The Company launched its first hybrid project of 51.8 MWp in Gujarat which is completed and has been in operation since June 2023.

In Q4 of FY 2024, the company also launched a 130 MWp bundled solar wind project in Tamil Nadu out of which 57 MWp was commissioned in September 2023. The balance of 33 MWp Solar and 40 MW Wind is in stabilization and in the advanced stage of completion respectively.

The Company has made a strategic decision to implement renewable capacities together with the energy storage systems connected to the Inter-State Transmission System (ISTS) and accordingly secured connectivities at Power Grid Substations in different states.

Material Changes Affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affects the financial position of the Company.

Dividend

In view of the losses, the directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the company has not transferred any amount to the General Reserve.

Share Capital

During the year there were changes in the capital structure of the Company. The Company has increased its authorized share capital from Rs. 325,00,00,000/- (Rupees Three hundred and twenty five crores only) divided into 32,50,00,000 (Thirty two crores fifty lakhs) Equity Shares of Rs.10/- each to Rs. 525,00,00,000/- (Rupees five hundred and twenty five crores only) divided into 52,50,00,000 (Fifty two crores fifty lakhs) Equity Shares of Rs.10/- each. The increase in share capital was approved by the members of the Company in their Annual General Meeting held on July 28, 2023.

The Paid-up Share Capital of the Company is Rs. 403,98,63,650 divided into Equity Shares of Rs. 40,39,86,365 of Rs.10 each. During the year under review, the Company has made the further issue of shares to the existing shareholders on a rights basis. Details of the further issue of shares are as follows:

Date of Issue	Number of Shares	Nominal value per share (Rs.)	Amount (Rs.)
21-04-2023	5,10,00,000	10	51,00,00,000
26-05-2023	8,60,00,000	10	86,00,00,000
23-08-2023	1,31,50,000	10	13,15,00,000
13-09-2023	14,30,000	10	1,43,00,000
13-11-2023	1,50,00,000	10	15,00,00,000
14-12-2023	40,00,000	10	4,00,00,000
05-01-2024	8,00,00,000	10	80,00,00,000

The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity during the year.

Subsidiaries, Joint Ventures and Associates

During the year the Company has incorporated three subsidiaries namely First Energy 8 Private Limited, First Energy Nine Private Limited, and First Energy 10 Private Limited for carrying out its Group Captive or Captive Power projects in different states.

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

Highlights of performance of subsidiaries

During the year, the Company has commissioned or launched Captive Renewable Projects under its SPVs in Tamilnadu, Gujarat, and Maharashtra. The projects that are commissioned have stabilized and the performance levels are compatible with the first year of operations.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as of March 31, 2024.

Particulars of Loans, Guarantees or Investments

The details of loans and investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the financial statements. During the year, the Company did not give any guarantee.

Restriction on purchase by Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors or Key Managerial Personnel, for purchase or subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Renewable Energy business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involves risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also contracts competent local infra partners having experience and capability.

- **Renewable Sources and Grid Availability**

  The risk identified by the Company is lower generation on account of lower radiation, wind speed, and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources and accordingly sizes the plant and the financial models for arriving at the right tariff for the available conditions. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk results in revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using waterless robotic technology for cleaning modules and therefore manpower dependency is reduced.

  The Board at its meetings periodically reviews and monitors these risks and their mitigation plan.

Health and Safety

Across all its operational assets, sites, and offices, the Company implements policies that cover Health and safety. The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk-based training is imparted to Contractors

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors & Key Managerial Personnel

During the year, Mrs. Meher Pudumjee (DIN: 00019581) is appointed as an Additional Director of the Board w.e.f. September 30, 2023.

Under the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ashish Bhandari, Director (DIN: 05291138) retires by rotation and being eligible offers, himself for re-appointment. The proposal of re-appointment forms part of the Notice of the Sixteenth AGM of the Company.

There is no change in Key Managerial Personnel during the year.

Board Evaluation

According to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its performance and of its individual Directors.

Board Meetings

The Board met eight times during the year under review, on May 10, 2023, July 28, 2023, August 28, 2023, September 11, 2023, October 31, 2023, November 22, 2023, February 1, 2024, and March 21, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs during the year.

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 judgment 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 and loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, or other designated persons that may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

During the year, RPTs were placed before the Board for approval. A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

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.

Maintenance of Cost Records

The requirement for maintenance of the Cost Records according to Section 148(1) of the Companies Act, 2013, does not apply to the Company.

Conservation of energy and technological absorption

The Company is in the business of renewable energy. The Company aims to conserve the environment by bringing about significant change in methods of using energy through the application of Solar, Wind and associated Renewable energy generation sources for commercial & industrial customers. As a part of its "Build-Green" initiatives, the Company has installed solar powered Robots to clean the solar modules at the Opex projects thus ensuring waterless cleaning.

Foreign Exchange Earnings and Outgo

Below are the details of foreign currency earnings and outgo made during the year.

Foreign currency earnings	Amt. Rs. 11,51,43,082.00
Foreign currency outgo	Amt. Rs. 10,35,47,179.00

Particulars of Employees

The total number of permanent employees on the rolls of the company as of March 31, 2024, was 69.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

There are no significant or material orders passed by the Regulators / Courts.

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of the Companies Act, 2013 as of March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing employees with a safe and conducive work environment. It has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013.

No cases were pending at the beginning of the year/ filed during the year, according to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

Your Board confirms that there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 and during the year there is no instance of one-time settlement with any Bank or Financial Institution.

Auditors

Statutory Auditors

The members of the Company in their Fifteenth Annual General Meeting had appointed M/s Price Waterhouse Chartered Accountants LLP (FRN. 012754N/N500016) as Statutory Auditors for five years from the conclusion of the Fifteenth Annual General Meeting until the conclusion of the Twentieth Annual General Meeting to be held in FY 2028-29.

Secretarial Auditors

Under the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. SVD and Associates, Practicing 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 1 to this Report.

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

Annual Return

The Company shall place an annual return filed with the Registrar of Companies for the financial year 2023-24 on its website: www.feplglobal.com once the same is filed with the Registrar of Companies.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors, and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work, and support.

For and on behalf of the Board of Directors of
First Energy Private Limited

Ashish Bhandari
Chairman

Pune, May 6, 2024

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 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,
First Energy Private Limited,
Thermax House, 14, Mumbai Pune Road, Wakdewadi, Pune - 411003.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **First Energy Private Limited** bearing CIN: U40200PN2008FTC139032, a subsidiary of public Company in terms of the provisions of section 2(71) of the Companies Act, 2013 (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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 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 31st March, 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 to the extent applicable;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of the securities held in dematerialized form;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, External Commercial Borrowing and Overseas Direct Investment; (not applicable to the Company during the audit period)

(v) None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company.

(vi) The management has identified and confirmed the compliances of the following law as specifically applicable to the Company:

(a) The Electricity Act, 2003 (to the extent applicable to the Company)

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by 'The Institute of Company Secretaries of India'.

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

We further report that

The Board of Directors of the Company is duly constituted with all Non-Executive Directors and a Chief Executive Officer. 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 in case of shorter notice, the meeting is convened with necessary quorum 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 and decisions through circular resolutions are carried out with requisite majority, as recorded in the minutes of the meetings of the Board of Directors, 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, there are no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following:

1. At the 15th Annual General Meeting held on July 28, 2023, Special Resolution was passed for increase in the Authorised Capital of the Company from INR 325,00,00,000/- to INR. 525,00,00,000/-

2. Increase in the Paid-Up capital of the Company to INR 3,23,98,63,650/- by allotment of 25,05,80,000 equity shares of Rs. 10 each on following dates under Rights Issues approved by the Board of Directors:

Sr. No	Date of Board meeting/Circular resolutions for allotment of equity shares under Rights Issues	Number of shares allotted
1.	July 28, 2023	5,10,00,000
2.	July 28, 2023	8,60,00,000
3.	October 31, 2023	1,31,50,000
4.	October 31, 2023	14,30,000
5.	December 13, 2023	15,00,00,000
6.	February 01, 2024	40,00,000
7.	March 21, 2024	8,00,00,000

3. The following Companies ceased to be wholly owned 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

For **SVD & Associates**

Company Secretaries

Sheetal S. Joshi
Partner
FCS No: 10480
CP No: 11635
Peer review No: 669/2020
UDIN : F010480F000304147

Place: Pune
Date: May 06, 2024

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 Secretarial Audit Report

For the financial year ended 31st March 2024

To,
The Members,
First Energy Private Limited,
Thermax House, 14, Mumbai Pune Road,
Wakdewadi, Pune - 411003.

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 physically verified the documents and evidences and also relied on data provided through electronic mode to us.

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

Sheetal S. Joshi
Partner
FCS No: 10480
CP No: 11635
Peer review No: 669/2020
UDIN : F010480F000304147

Place: Pune
Date: May 06, 2024

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.*

First Energy Private Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy Private Ltd

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of First Energy Private Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's 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 the 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.

5. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 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.

6. 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. 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.

8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 standalone 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

10. 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.

Other Matter

11. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Report on other legal and regulatory requirements

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

 (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

 (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

 (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive loss), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

 (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

 (e) 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.

 (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.

 (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

 (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

  i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the standalone financial statements.

  ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

  iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

  iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46 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, other than as disclosed in the note 36(b) and 46 to the standalone financial statements, 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 that we 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. The Company has not declared or paid any dividend during the year.

  vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

13. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company. However, the Company has not paid/provided any managerial remuneration during the year.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846

UDIN : 24109846BKGXSN4983
Place: Pune
Date: May 8, 2024

First Energy Private Limited

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of First Energy Private Limited on the standalone financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of First Energy Private 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

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to 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 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 standalone financial statements, whether due to fraud or error.

5. 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 system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. 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 standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. 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 controls 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system 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 ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846

UDIN : 24109846BKGXSN4983
Place: Pune
Date: May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of First Energy Private Limited on the standalone financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) (Refer Note 3 to the standalone financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets). Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The terms of sanction do not stipulate filing of quarterly returns or statements with such banks, and accordingly, the question of our commenting on whether the returns or statements are in agreement with the unaudited books of account of the Company, does not arise.

iii. (a) The Company has made investments in 1 mutual fund scheme and 6 companies, granted unsecured loans to 9 companies and provided security to 3 companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and security to subsidiaries are as per the table given below:

(₹ lakhs)

	Security	Loans
Aggregate amount granted/ provided during the year - Subsidiaries	4,615.20	44,799.58
Balance outstanding as at balance sheet date in respect of the above case - Subsidiaries	5,726.79	18,599.75

Also, refer Note 5(a) and 36 to the standalone financial statements.

(b) In respect of the aforesaid investments, securities and loans, the terms and conditions under which such loans were granted/ investments were made/ security provided are not prejudicial to the Company's interest.

(c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

(e) Following loans were granted to same parties, which have fallen due during the year and were extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/ advances in nature of loan.

Name of the parties	Aggregate amount of loans granted during the year	Aggregate overdue amount settled by extension to same parties	Percentage of the aggregate to the total loans granted during the year
First Energy TN 1 Private Limited	879.00	90.00	10.00%
First Energy 2 Private Limited	246.00	135.00	54.88%
First Energy 3 Private Limited	836.34	443.34	53.01%
Jalansar Wind Energy Private Limited	26.00	20.00	76.92%
First Energy 4 Private Limited	13,360.00	13,605.31	101.84%
First Energy 5 Private Limited	18,719.20	2,287.20	12.22%
First Energy 6 Private Limited	9,867.04	6,725.22	68.16%

(Also, refer Note 36 to the standalone financial statements)

(f) The loans granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products or services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income Tax	1,134.71	FY 2021-22	Commissioner of Income-tax (Appeals)	

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 18 to the standalone financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that the Company has utilised funds raised on short-term basis aggregating Rs 528.84 lakhs for long-term purposes.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from the following entities and persons on account of or to meet the obligations of its subsidiaries as per details below:

Nature of fund taken	Name of lender	Amount involved (Rs lakhs)	Name of the subsidiary, joint venture, associate	Relation (subsidiary/ JV Associate)	Nature of transaction for which fund utilized
Short term borrowing	Thermax Limited	864	First Energy TN1 Private Limited	Subsidiary	Working capital requirement
Short term borrowing	Thermax Limited	100	First Energy 2 Private Limited	Subsidiary	Working capital requirement
Short term borrowing	Thermax Limited	250	First Energy 3 Private Limited	Subsidiary	Working capital requirement
Equity	Thermax Limited	143	First Energy 3 Private Limited	Subsidiary	Working capital requirement
Short term borrowing	Thermax Limited	23,560	First Energy 4 Private Limited	Subsidiary	For Capital Expenditure
Short term borrowing	Thermax Limited	9,607	First Energy 6 Private Limited	Subsidiary	For Capital Expenditure
Short term borrowing	Thermax Limited	18,159	First Energy 5 Private Limited	Subsidiary	For Capital Expenditure
Short term borrowing	Thermax Limited	858	First Energy 7 Private Limited	Subsidiary	For Capital Expenditure

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

(xiv) (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company’s internal audit system is commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. .(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 1,310.77 lakhs in the financial year and of Rs. 1,521.60 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846

UDIN : 24109846BKGXSN4983
Place: Pune
Date: May 8, 2024

First Energy Private Limited

Standalone Balance Sheet as at March 31, 2023

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
Assets			
Non-current assets			
Property, plant and equipment	3	549.72	586.42
Right-of-use assets	3(b)	261.52	356.62
Other intangible assets	4	27.26	34.65
Financial assets			
(i) Investments	5(a)	33,532.80	10,275.30
(ii) Finance lease receivable	35	187.38	202.06
(iii) Loans	14	1,148.34	-
(iv) Other financial assets	6	46.76	43.41
Deferred tax assets (net)	10	-	-
Income tax assets (net)	9	218.97	60.65
Total non-current assets		**35,972.75**	**11,559.11**
Current assets			
Financial assets			
(i) Investments	5(b)	1.04	37.84
(ii) Trade receivables	11	1,004.49	209.68
(iii) Cash and cash equivalents	12	630.32	1,063.46
(iv) Bank balance other than (iii) above	13	0.97	0.94
(v) Finance lease receivable	35	59.04	59.04
(vi) Loans	15	17,451.41	16,129.69
(vii) Other financial assets	7	1,003.39	809.97
Other current assets	8	300.70	752.09
Total current assets		**20,451.36**	**19,062.71**
Total assets		**56,424.11**	**30,621.82**
Equity and liabilities			
Equity			
Equity share capital	16	40,398.64	15,340.64
Other equity	17	(6,551.68)	(5,128.44)
Total Equity		**33,846.96**	**10,212.20**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	577.00	-
(ii) Lease liabilities	35	187.85	275.10
Provisions	19	832.11	473.56
Total non-current liabilities		**1,596.96**	**748.66**
Current liabilities			
Financial liabilities			
(i) Borrowings	18(b)	18,375.10	17,311.62
(ii) Lease liabilities	35	110.36	103.30
(iii) Trade payables			
a. total outstanding dues of micro enterprises and small enterprises	23	48.57	88.64
b. total outstanding dues other than of micro enterprises and small enterprises	23	930.75	242.63
(iv) Other financial liabilities	20	571.64	1,194.13
Provisions	21	108.56	45.80
Other current liabilities	22	835.21	674.84
Total current liabilities		**20,980.19**	**19,660.96**
Total equity and liabilities		**56,424.11**	**30,621.82**

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

Standalone Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note No	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	24	3,169.45	1,551.30
Other income	25	1,759.68	531.08
Total Income		**4,929.13**	**2,082.38**
Expenses			
Cost of materials consumed	26	2,716.61	1,127.78
Employee benefits expense	27	1,003.33	1,232.77
Finance costs	28	1,634.10	627.42
Depreciation and amortization expense	29	91.89	72.65
Other expenses	30	883.52	613.94
Total expenses		**6,329.45**	**3,674.56**
Loss before tax		**(1,400.32)**	**(1,592.18)**
Income tax expense			
Current tax	33	-	-
Deferred tax	33	-	36.16
Total tax expense		**-**	**36.16**
Loss for the year		**(1,400.32)**	**(1,628.34)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		(17.98)	4.75
Re-measurement on post employment benefit obligations		(17.98)	4.75
Total Other comprehensive income/ (loss) for the year, net of tax		(17.98)	4.75
Total comprehensive loss for the year		**(1,418.30)**	**(1,623.59)**
Loss per equity share Basic and Diluted [Nominal value per share Rs. 10/- (March 31, 2023: 10/-)]	31	**(0.52)**	**(1.56)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
First Energy Private Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN :01308831

Ravi Damaraju
Chief Executive Officer

Sumit Rathi
Chief Financial Officer

Sampada Sakhare
Company Secretary

Place: Pune
Date: May 6, 2024

Standalone Cash flow statement for the period ended March 31, 2024

(All amounts are in Rupees Lakhs, except stated otherwise)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A)	**Cash flows from operating activities**		
	Loss before tax	(1,400.32)	(1,592.18)
	Adjustments for		
	Depreciation and amortization expenses	163.76	111.63
	Finance costs	1,631.94	642.44
	Interest income on bank deposits	-	(40.93)
	Net gain on current investments designated at FVPL	(2.34)	(2.07)
	Interest Income on loan to subsidiaries	(1,608.49)	(485.20)
	Working capital adjustments		
	(Increase)/Decrease in trade receivables	(794.81)	31.54
	Decrease in Inventories	-	2,882.14
	Decrease in finance lease receivable	14.68	-
	(Increase)/Decrease in other financial assets	21.02	(459.84)
	Decrease in other assets	451.39	1,985.29
	Increase/ (Decrease) in trade payables	648.05	(4,542.97)
	Increase in provisions	403.33	493.13
	Increase/ (Decrease) in other financial liabilities	101.63	89.28
	Increase/ (Decrease) in other liabilities	160.37	(891.17)
	Cash used in operations	**(209.79)**	**(1,778.91)**
	Income taxes paid	(158.32)	(53.30)
	Net cash used in operating activities	**(368.11)**	**(1,832.21)**
B)	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(914.14)	(43.05)
	Payments for intangible assets	(8.53)	(27.27)
	Fixed Deposits with Banks	-	(0.05)
	Sale of shares of subsidiary company	-	576.00
	Investment in subsidiaries companies	(23,257.50)	(8,649.30)
	Payment for asset acquisition (refer note 39)	-	(2.00)
	Proceeds from sale of current investments	39.14	-
	Interest income received	1,390.67	523.39
	Loan to subsidiaries	(44,800.58)	(32,529.69)
	Repayment of loans by subsidiaries	42,330.51	16,400.00
	Net cash flows used in investing activities	**(25,220.43)**	**(23,751.97)**
C)	**Cash flows from financing activities**		
	Proceeds from issue of shares	25,058.00	8,644.00
	Proceeds from borrowings	55,202.00	38,468.43
	Repayment of borrowings	(53,561.52)	(21,568.43)
	Principal element of lease payments	(80.19)	(67.92)
	Interest paid	(1,457.95)	(453.21)
	Cost related to issue of own equity instruments	(4.94)	(103.75)
	Net cash flows from financing activities	**25,155.40**	**24,919.12**
	Net decrease in cash and cash equivalents	**(433.14)**	**(665.06)**
	Cash and cash equivalents at the beginning of the year	1,063.46	1,728.52
	Cash and cash equivalents at the end of the year	**630.32**	**1,063.46**

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents (refer note 12)	630.32	1,063.46
Balances as per statement of cash flows	**630.32**	**1,063.46**

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
First Energy Private Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN :01308831

Ravi Damaraju
Chief Executive Officer

Sumit Rathi
Chief Financial Officer

Sampada Sakhare
Company Secretary

Place: Pune
Date: May 6, 2024

First Energy Private Limited

Statement of changes in Equity for the year ended March 31, 2023
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

A Equity Share Capital

	March 31, 2024	March 31, 2023
Balance at the beginning of the year	15,340.64	3,946.64
Changes in equity share capital during the year	25,058.00	11,394.00
Balance at the end of the year	**40,398.64**	**15,340.64**

B Other Equity

Particulars	Reserves & Surplus			Share Application Money	Equity component of Compound Financial Instruments	Total Equity
	Retained Earnings	Securities Premium	Total			
As at April 01, 2022	**(4,711.78)**	**1,063.96**	**(3,647.82)**	**2,750.00**	**246.72**	**(651.10)**
Loss for the year	(1,628.34)	-	(1,628.34)	-	-	(1,628.34)
Other comprehensive income for the year	4.75	-	4.75	-	-	4.75
Total Comprehensive loss for the year	**(1,623.59)**	**-**	**(1,623.59)**	**-**	**-**	**(1,623.59)**
Cost related to issue of own equity instruments	-	(103.75)	(103.75)	-	-	(103.75)
Share application money received for allotment of shares	-	-	-	8,644.00	-	8,644.00
Shares allotted against the share application money received	-	-	-	(11,394.00)	-	(11,394.00)
As at March 31, 2023	**(6,335.37)**	**960.21**	**(5,375.16)**	**-**	**246.72**	**(5,128.44)**
Loss for the year	(1,400.32)	-	(1,400.32)	-	-	(1,400.32)
Other comprehensive income for the year	(17.98)	-	(17.98)	-	-	(17.98)
Total Comprehensive loss for the year	**(1,418.30)**		**(1,418.30)**	**-**	**-**	**(1,418.30)**
Cost related to issue of own equity instruments	-	(4.94)	(4.94)	-	-	(4.94)
Share application money received for allotment of shares	-	-	-	25,058.00	-	25,058.00
Shares allotted against the share application money received	-	-	-	(25,058.00)	-	(25,058.00)
As at March 31, 2024	**(7,753.67)**	**955.27**	**(6,798.40)**	**-**	**246.72**	**(6,551.68)**

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
First Energy Private Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN :01308831

Ravi Damaraju
Chief Executive Officer

Sumit Rathi
Chief Financial Officer

Sampada Sakhare
Company Secretary

Place: Pune
Date: May 6, 2024

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

1. Corporate information

First Energy Private Limited ("the Company") is primarily involved in Engineering, Procurement and Construction of solar power plant and other ancillary activities.

The Company is a private limited Company incorporated and domiciled in India. The address of its registered office is 14, Thermax House, Old Mumbai-Pune Highway, Wakdewadi Pune - 411003, India. The Board of Directors have authorized to issue these Standalone financial statements on May 8, 2024. The CIN of the Company is U40200PN2008FTC139032.

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 section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The standalone financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Summary of material accounting policies

a. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 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 the following streams of revenue:

- **Revenue from Engineering, Procurement and Construction contracts**

Engineering, Procurement and Construction (EPC) contracts are contracts 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 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 recognized over a period of time if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

(c) 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 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.

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 recognized 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 recognizes the expected losses from onerous contract as an expense immediately.

Penalties for any delay or improper execution of a contract are recognized as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

- **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 recognized on a time proportion basis under the contracts.

Contract balances

Contract assets: The contract assets relate to unbilled work in progress. If the Company satisfies performance obligation 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.

Trade receivables: 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). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

b. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	10	10 to 15
Office equipment	5	5
Furniture and fixtures	10	10
Computers and data processing units	3 to 6	3 to 6

c. Leases

Company as a lessee

The Company lease asset classes primarily consist of office buildings. 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 recognizes a right-of-use 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized 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.

Right-of-use 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. Right of use 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 and amounts expected to be paid under residual value guarantees. There are no variable lease payments.

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 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.

Company as a lessor

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 recognized 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 recognized 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 Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company'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.

2.4. Summary of other accounting policies

a. Foreign currency translation

(i) Functional and presentation currency

Items included in the Standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Standalone financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are recognised in profit and loss and are presented in the Standalone Statement of Profit and Loss on a net basis.

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.

b. 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

All financial assets (excluding trade receivables which do not contain a significant financing component) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset. For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVOCI

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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.

Equity investment in subsidiaries are carried at historical cost as per the accounting policy choice given by Ind AS 27.

Derecognition

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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

c. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorized 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.

d. Property, plant and equipment

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized 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 recognized in the Statement of profit and loss when the asset is derecognized.

Intangible Assets are stated at acquisition cost less accumulated amortization and impairment losses, if any. The estimated useful lives of intangible assets are as follows:

Assets	Useful life
Software	3-6 years

f. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

g. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

i. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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.

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts in Rupees lakh, unless otherwise stated)

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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

j. Impairment of non-financial assets

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 assets 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 Companys 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

k. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

l. 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 recognizes 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 recognized 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 recognized 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 is unfunded. 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 are recognized 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 recognized in the Statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs.

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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

The liabilities for Other long-term employee benefits such as privileged leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Standalone Statement of Profit and Loss. The Company does not have an unconditional right to defer settlement for any of these obligations and therefore have been classified as current liability. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within twelve months.

Provision for Long term incentive is calculated using the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost.

m. Segment Reporting

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 First Energy Private Limited has been identified as the chief operating decision maker of the Company.

n. Contingent liabilities

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.

o. Earnings Per Share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

p. Rounding of amounts:

Amounts disclosed in the Standalone financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's Standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Standalone financial statements:

i. Revenue from contracts with customers

A significant revenue of the Company's business relates to EPC contracts which is accounted using cost-based input method, recognizing 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 judgements of the extent of progress towards completion including accounting of multiple contracts which need to be combined and considered as a single contract.

ii. Ind AS 116 – Leases

In determining whether revenue contract (power purchase agreement) with customer especially when entire contractual capacity of one project (solar / wind project) is committed to one customer, management exercises judgement in concluding whether contract contains lease. Management takes into consideration who is responsible for design of the project and who has right to direct the use of solar plant.

iii. Impairment of non-current assets

Determining whether noncurrent assets are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. EPC contracts:

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, contract assets and contract liabilities.

ii. Impairment of non-financial assets

IImpairment 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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long-term debt equity ratio.

iii. Long term incentives

The provision for long term incentives is recognized considering the estimated payout expected by the Company at present value using projected unit credit method. These include the determination of the discount rate. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the attrition rate. In determining the appropriate discount rate for plans operated in

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts in Rupees lakh, unless otherwise stated)

India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the long-term incentives.

iv. Impairment of financial assets

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.

v. Useful lives of property, plant and equipment and intangible assets

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 annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

vi. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

vii. Recognition and measurement of provision and contingencies

The Company recognizes a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

3 (a) Property, Plant and Equipment

Particulars	Plant and equipment	Office Equipment	Computer	Furniture and Fixtures	Total
Year ended March 31, 2023					
Gross carrying amount					
Opening gross carrying amount	-	4.62	25.87	1.01	31.50
Additions*	541.93	0.61	22.31	0.20	565.05
Closing gross carrying amount	**541.93**	**5.23**	**48.18**	**1.21**	**596.55**
Accumulated depreciation					
Opening accumulated depreciation	-	0.04	0.45	0.01	0.50
Charge during the year	-	0.32	9.24	0.07	9.63
Closing accumulated depreciation	**-**	**0.36**	**9.69**	**0.08**	**10.13**
Net carrying amount as on March 31, 2023	**541.93**	**4.87**	**38.49**	**1.13**	**586.42**
Year ended March 31, 2024					
Gross carrying amount					
Opening gross carrying amount	541.93	5.23	48.18	1.21	596.55
Additions	-	0.39	14.30	1.35	16.04
Closing gross carrying amount	**541.93**	**5.62**	**62.48**	**2.56**	**612.59**
Accumulated depreciation					
Opening accumulated depreciation	-	0.36	9.69	0.08	10.13
Charge for the year	39.38	0.35	12.93	0.08	52.74
Closing accumulated depreciation	**39.38**	**0.71**	**22.62**	**0.16**	**62.87**
Net carrying amount as on March 31, 2024	**502.55**	**4.91**	**39.87**	**2.40**	**549.72**

*A portion of plant and equipment includes assets categorised as assets leased on operating lease arrangement. Refer note 35(b).

Asset Acquistion

During the previous year, the Company acquired solar plants and assets under finance lease from the fellow subsidiary for consideration of Rs. 782.90 lakhs. The aforesaid acquisition was not considered as business combination as it does not meet the definition of "business" given in Ind AS 103 – Business Combinations. The Company has recognised assets and liabilities acquired at their relative fair value as below:

Net amount of Assets and Liabilities acquired

Particulars	Amount
Assets	
Solar plant	541.93
Finance lease receivable	261.10
Total assets acquired	**803.03**
Liabilities	
Security deposit of customer	20.13
Total liabilities assumed	**20.13**
Net Assets Acquired	**782.90**

Notes to the standalone financial statements for the year ended March 31, 2024

(All amounts in Rupees lakh, unless otherwise stated)

3 (b) Right- of- use assets

Particulars	Buildings	Total
Year ended March 31, 2023		
Gross carrying amount		
Opening gross carrying amount	475.50	475.50
Additions	-	-
Gross carrying amount as at March 31, 2023	**475.50**	**475.50**
Accumulated depreciation		
Opening accumulated depreciation	23.78	23.78
Charge for the year	95.10	95.10
Closing accumulated depreciation	**118.88**	**118.88**
Net carrying amount as on March 31, 2023	**356.62**	**356.62**
Year ended March 31, 2024		
Gross carrying amount		
Opening gross carrying amount	475.50	475.50
Additions	-	-
Gross carrying amount as at March 31, 2024	**475.50**	**475.50**
Accumulated depreciation		
Opening accumulated depreciation	118.88	118.88
Charge for the year	95.10	95.10
Accumulated depreciation as at March 31, 2024	**213.98**	**213.98**
Net carrying amount as on March 31, 2024	**261.52**	**261.52**

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 37 for further disclosure on leases.

4 Intangible Assets

Particulars	Computer Software	Total
Year ended March 31, 2023		
Gross carrying amount		
Opening gross carrying amount	14.75	14.75
Additions	27.27	27.27
Gross carrying amount as at March 31, 2023	**42.02**	**42.02**
Accumulated amortisation		
Opening accumulated amortisation	**0.47**	**0.47**
Amortisation charge for the year	6.90	6.90
Closing accumulated amortisation	**7.37**	**7.37**
Net carrying amount as at March 31, 2023	**34.65**	**34.65**
Year ended March 31, 2024		
Gross carrying amount		
Gross carrying amount as at March 31, 2023	42.02	42.02
Additions	8.53	8.53
Asset held of disposal	-	-
Deductions/Amortization	-	-
Gross carrying amount as at March 31, 2024	**50.55**	**50.55**
Asset held of disposal	-	-
Deductions/Amortization	-	-
Accumulated amortisation		
Opening accumulated amortisation	7.37	7.37
Charge for the year	15.92	15.92
Asset held of disposal	-	-
Deductions/Amortization	-	-
Closing accumulated amortisation	**23.29**	**23.29**
Net carrying amount as at March 31, 2024	**27.26**	**27.26**

5 (a) Current Investments

Sr. No.	Particulars	Face value per unit	Number of units		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 (fully paid up)					
	Investments valued at cost					
	Equity shares in Subsidiaries (Unquoted)					
1	First Energy TN1 Private Limited* (30% shares pledged as security in respect of the term loan availed by First Energy TN1 Private Limited)	Rs 10	16,240,000	16,240,000	1,624.00	1,624.00
2	First Energy 2 Private Limited* (30% shares pledged as security in respect of the term loan availed by First Energy 2 Private Limited)	Rs 10	8,535,005	8,535,005	853.50	853.50
3	First Energy 3 Private Limited* (30% shares pledged as security in respect of the term loan availed by First Energy 3 Private Limited)	Rs 10	73,850,000	73,850,000	7,385.00	7,385.00
4	Jalansar Wind Energy Private Limited* (30% shares pledged as security in respect of the term loan availed by Jalansar Wind Energy Private Limited)	Rs 10	1,639,000	1,639,000	163.90	163.90
5	Kanakal Wind Energy Private Limited* (30% shares pledged as security in respect of the term loan availed by Kanakal Wind Energy Private Limited)	Rs 10	2,459,000	2,459,000	245.90	245.90
6	First Energy 4 Private Limited (30% shares pledged as security in respect of the term loan availed by First Energy 4 Private Limited)	Rs 10	50,720,000	10,000	5,072.00	1.00
7	First Energy 5 Private Limited	Rs 10	70,110,000	10,000	7,011.00	1.00
8	First Energy 6 Private Limited (30% shares pledged as security in respect of the term loan availed by First Energy 6 Private Limited)	Rs 10	33,010,000	10,000	3,301.00	1.00
9	First Energy 7 Private Limited	Rs 10	13,395,000	-	1,339.50	-
10	First Energy 8 Private Limited	Rs 10	65,360,000	-	6,536.00	-
11	First Energy Nine Private Limited	Rs 10	10,000	-	1.00	-
	Total Value of Investments				**33,532.80**	**10,275.30**
	Less : Impairment in value of investments				-	-
	Total non-current investments				**33,532.80**	**10,275.30**
	Notes :					
	Aggregate amount of quoted investments				-	-
	Aggregate amount of unquoted investments				33,532.80	10,275.30
	Aggregate amount of impairment in the value of investments				-	-

Notes to the standalone financial statements for the year ended March 31, 2024
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*The Company has written put options over the remaining equity interest in these subsidiaries. Based on the analysis of the terms of the agreement, the shares over which the put options have been written do not meet the definition of an "underlying" as per Ind AS 109 and therefore these put options have not been accounted for as a derivative contract.

5(b) Current Investments

Particulars	Number of units		Amount	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investments in Mutual funds				
Investments at fair value through Profit and Loss				
Nippon India Overnight Fund Growth - Regular	810	-	1.04	-
Aditya Birla Sun Life Money Manager Fund Growth- Regular	-	11,967	-	37.84
Total current investments			**1.04**	**37.84**
Aggregate amount of quoted investments and market value thereof			-	-
Aggregate amount of unquoted investments			1.04	37.84
Aggregate amount of impairment in the value of investments			-	-

Investments at fair value through profit and loss account reflect investment in unquoted equity and debt securities. Refer note 41 for determination of their fair values.

6 Other non current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Security deposits	46.76	43.41
Total	**46.76**	**43.41**

7. Other current financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued on fixed deposits	1.83	4.18
Interest accrued receivable from group companies	405.24	185.10
Other receivables from group companies	576.28	600.65
Others	20.04	20.04
Total	**1,003.39**	**809.97**

8. Other current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to supplier	23.37	66.63
Unbilled revenue (Contract Assets)	105.72	500.49
Prepaid expenses	33.07	10.50
Balances with government authorities	138.54	174.47
Total	**300.70**	**752.09**

There were no advances due by directors or other 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 any director is a partner or a member

9. Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets (net)	218.97	60.65
Total	**218.97**	**60.65**

10. Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
Employee benefit expenses	19.51	22.55
Lease Liabilities	75.05	95.23
	94.56	**117.78**
Deferred tax liability		
Depreciation on property, plant and equipment and intangible assets	28.74	28.03
Right-of-use assets	65.82	89.75
	94.56	**117.78**
Total	**-**	**-**

Movement in Deferred tax assets

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Loss before tax	**(1,418.30)**	**(1,623.59)**
Income tax rate	25.17%	25.17%
Expected tax expense / (credit)	(356.99)	(408.66)
Deferred tax assets not recognised on losses	356.99	408.66
Total tax expense	**-**	**-**

The Company has tax losses, unabsorbed depreciation and other items of Rs. 7,034.61 lakhs (March 31, 2023: Rs. 5,317.13 lakhs) that are available for offsetting for future taxable profits. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits in the Company and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs. 1,736.83 lakhs (March 31, 2023: Rs. 1,304.55 lakhs).

Notes to the standalone financial statements for the year ended March 31, 2024
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Particulars	Expiry date (Year ending March 31)	As at March 31, 2024 As of March 31, 2024	As at March 31, 2024 As of March 31, 2024 Tax impact	As at March 31, 2023 As of March 31, 2023	As at March 31, 2023 As of March 31, 2023 Tax impact
Tax losses	2024	361.42	90.97	361.41	90.97
	2025	398.48	100.30	398.48	100.30
	2027	152.42	38.36	152.42	38.36
	2030	209.12	52.64	209.12	52.64
	2031	1,113.06	280.16	1,090.27	274.42
	2032	1,179.00	296.75	-	-
Total tax losses		**3,413.50**	**859.18**	**2,211.70**	**556.69**
Employee benefit expenses	No Expiry	202.65	51.01	88.52	22.28
Unabsorbed depreciation	No Expiry	2,608.46	656.55	2,206.91	555.48
Capital loss	2030	810.00	170.10	810.00	170.10
Total		**7,034.61**	**1,736.83**	**5,317.13**	**1,304.55**

11. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables from:		
(i) Related parties		
- Unbilled	-	-
- Billed	28.02	92.42
(ii) Others		
- Unbilled	-	-
- Billed	976.47	117.26
Total	**1,004.49**	**209.68**
Sub-classification of trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,004.49	209.68
Trade receivables which have a significant increase in credit risk	-	-
	1,004.49	**209.68**
Less: Impairment Allowance	-	-
Total	**1,004.49**	**209.68**

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

The ageing of trade receivables

Particulars	Not Due	Unbilled	Outstanding for the following period from due date of payments: Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024								
(i) Undisputed Trade Receivables- considered good	481.54	-	453.23	69.72	-	-	-	**1,004.49**
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	**-**
Less: Impairment allowance	-	-	-	-	-	-	-	-
Total	**481.54**	**-**	**453.23**	**69.72**	**-**	**-**	**-**	**1,004.49**

Particulars	Not Due	Unbilled	Outstanding for the following period from due date of payments: Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023								
(i) Undisputed Trade Receivables- considered good	125.33	-	84.35	-	-	-	-	209.68
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
Less: impairment allowance	-	-	-	-	-	-	-	-
Total	**125.33**	**-**	**84.35**	**-**	**-**	**-**	**-**	**209.68**

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

12. Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balance with banks		
- in current accounts	449.76	169.47
- in deposits with original maturity of less than three months	180.56	893.99
Total	**630.32**	**1,063.46**

13 Other bank balances

	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than three months but less than twelve months	0.97	0.94
Total	**0.97**	**0.94**

14. Loans (Non-current)

	As at March 31, 2024	As at March 31, 2023
Loans to subsidiaries (Refer note 36(a) and 36(b))	1,148.34	-
Total	**1,148.34**	**-**

Break-up of loans

Particulars	As at March 31, 2024	As at March 31, 2023
Loans considered good - secured	-	-
Loans considered good - unsecured	1,148.34	-
Loans which have significant increase in credit risk	-	-
Loans impaired	-	-
Total	**1,148.34**	**-**
Less: Loss allowance	-	-
Total loans	**1,148.34**	**-**

15. Loans (Current)

	As at March 31, 2024	As at March 31, 2023
Loans to subsidiaries (Refer note 36(a) and 36(b))	17,451.41	16,129.69
Total	**17,451.41**	**16,129.69**

Break-up of loans

Particulars	As at March 31, 2024	As at March 31, 2023
Loans considered good - secured	-	-
Loans considered good - unsecured	17,451.41	16,129.69
Loans which have significant increase in credit risk	-	-
Loans impaired	-	-
Total	**17,451.41**	**16,129.69**
Less: Loss allowance	-	-
Total loans	**17,451.41**	**16,129.69**

17 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized shares		
525,000,000 (Previous year 325,000,000) equity shares of Rs. 10/- each.	52,500.00	32,500.00
	52,500.00	32,500.00
Issued, subscribed and fully paid share capital		
403,986,365 (Previous year 153,406,365) equity shares of Rs. 10/- each)	40,398.64	15,340.64
Total issued, subscribed and fully paid-up share capital	**40,398.64**	**15,340.64**

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

Particulars	No. of shares	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
As at April 01, 2022	39,466,365	3,946.64
Changes during the year	113,940,000	11,394.00
As at March 31, 2023	153,406,365	15,340.64
Changes during the year	250,580,000	25,058.00
As at March 31, 2024	**403,986,365**	**40,398.64**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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 ultimate holding / holding company

Particulars	As at March 31, 2023	As at March 31, 2022
Holding company		
Thermax Limited	40,398.64	15,340.64
403,986,359 (Previous year 15,34,06,359) equity shares of Rs. 10/- each)		

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

Particulars	As at March 31, 2024	As at March 31, 2023	% Change during the Year
Thermax Limited			
% Holding	100.00%	0.00%	0.00%
No. of shares	153,406,359		

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

(e) Details of shareholding of promoters:

Particulars	As at March 31, 2024	As at March 31, 2023	% Change during the Year
(i) Thermax Limited			
% Holding	100.00%	100.00%	0.00%
No. of shares	403,986,359	153,406,359	-

(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.

17 Other equity

	Particulars	As at March 31, 2024	As at March 31, 2023
A	**Securities premium**		
	Opening Balance	960.21	1,063.96
	Less: Cost related to issue of own equity instruments	(4.94)	(103.75)
	Net Securities Premium at the end of the year	**955.27**	**960.21**
B	**Retained earnings**		
	Opening Balance	(6,335.37)	(4,711.78)
	Add: Loss for the year	(1,400.32)	(1,628.34)
	Add: Other comprehensive income / (loss)	(17.98)	4.75
		(7,753.67)	**(6,335.37)**
C	**Share application money**		
	Opening balance	-	2,750.00
	Add: Addition during the year	25,058.00	8,644.00
	Less: Share allotment during the year	25,058.00	(11,394.00)
	Balance at the end of the year	-	-
D	**Equity component of compound financial instrument**	246.72	246.72
		246.72	**246.72**
	Total	**(6,551.68)**	**(5,128.44)**

18 Borrowings

(a) Non-current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Loan from holding Company	577.00	-
Total	**577.00**	**-**

Particulars	Maturity date	Terms of payment	Interest rate	As at March 31, 2024
Loan from holding company	Various	Repayment in one or multiple tranches within 6 months	8.6% - 8.8%	577.00

18(b) Current Borrowing

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured loans		
Loan from holding Company	18,375.10	17,311.62
Total	**18,375.10**	**17,311.62**

Particulars	Maturity date	Terms of payment	Interest rate	As at March 31, 2024	As at March 31, 2023
Loan from holding company	Various	Repayment in one or multiple tranches within 6 months	8.00% - 8.45%	17,963.48	16,900.00
Loan from holding company	On Demand	On Demand	0%	411.62	411.62

Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	630.32	1,063.46
Other bank balances	0.97	0.94
Borrowings	(18,952.10)	(17,311.62)
Interest accrued	(363.22)	(189.23)
Lease liabilities	(298.21)	(378.40)
Net debt	**(18,982.24)**	**(16,814.85)**

Particulars	Other assets		Liabilities from financing activities		Total
	Cash & cash equivalents	Other Bank Balance	Borrowings	Lease Liability	
Net debt as at April 1, 2022	1,728.52	0.89	(411.62)	(446.32)	871.47
Cash flows	(665.06)	0.05	(16,900.00)	67.92	(17,497.09)
Interest expenses	-	-	(512.02)	(36.61)	(548.63)
Interest Paid	-	-	322.79	36.61	359.40
Net debt as at March 31, 2023	**1,063.46**	**0.94**	**(17,500.85)**	**(378.40)**	**(16,814.85)**
Cash flows	(433.14)	0.03	(1,640.48)	80.19	(1,993.40)
Interest expenses	-	-	(1,602.37)	(29.57)	(1,631.94)
Interest Paid	-	-	1,428.38	29.57	1,457.95
Net debt as at March 31, 2024	**630.32**	**0.97**	**(19,315.32)**	**(298.21)**	**(18,982.24)**

19 Non-current provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity (Refer Note 37B(ii))	77.41	45.72
Other long-term employee benefits (Refer Note 37B(iii))	754.70	427.84
Total	**832.11**	**473.56**

20 Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits from customers	23.29	20.13
Employee related payables	185.13	86.67
Interest accrued but not due on loans	363.22	189.23
Purchase of Property, plant and equipment	-	898.10
Total	**571.64**	**1,194.13**

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21 Current provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (Refer note 37B (ii))	10.10	3.22
Provision for compensated absence (Refer note 37B (i))	95.46	39.58
Other Provisions		
Provision for onerous contract*	3.00	3.00
Total	**108.56**	**45.80**

* No movement during the year.

22 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	312.99	374.48
Unearned revenue	461.89	0.43
Others		
Statutory dues	59.19	299.93
Others	1.14	-
Total	**835.21**	**674.84**

23 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	48.57	88.64
Due to other than micro and small enterprises		
(i) Related parties (refer note 38)	428.75	175.42
(ii) Others	502.00	67.21
Total	**979.32**	**331.27**

Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

	Particulars	March 31, 2024	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	48.57	88.64
	-Interest due thereon	0.20	-
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	52.71	-
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	0.62	-
v)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.82	-
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	0.82	-

The ageing of current trade payables which are due for payment :

Particulars	Not Due	Unbilled	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	
As at March 31, 2024							
(i) Undisputed - Micro and Small Enterprises	11.93	35.36	1.28	-	-	-	**48.57**
(ii) Undisputed - Others	593.60	14.58	154.48	168.09	-	-	**930.75**
(iii) Disputed dues- Micro and Small Enterprises	-	-	-	-	-	-	**-**
(iv) Disputed dues- Others	-	-	-	-	-	-	**-**
Total	605.53	49.94	155.76	168.09	-	979.32	**979.32**

The ageing of current trade payables which are due for payment :

Particulars	Not Due	Unbilled	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	
As at March 31, 2023							
(i) Micro and Small Enterprises	88.64	-	-	-	-	-	**88.64**
(ii) Others	10.24	33.41	198.98	-	-	-	**242.63**
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	98.88	33.41	198.98	-	-	-	**331.27**

25 Revenue from operations (net)

(a) Revenue from contracts with customers

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers		
Revenue from projects	2,995.68	1,509.08
Revenue from services	35.84	35.01
Total	**3,031.52**	**1,544.09**

Other operating revenue

Sale of scrap	-	4.68
Interest income from finance lease	51.83	-
Exchange fluctuation gain (net)	0.95	2.53
Miscellaneous receipts	85.15	-
Total	**137.93**	**7.21**
Revenue from operations (net)	**3,169.45**	**1,551.30**

Disclosure pursuant to IND AS 115: Revenue from contracts with customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) Revenue by category of contracts		
Over a period of time basis	3,032.47	1,546.62
At a point-in-time basis	-	4.68
Total revenue from contracts with customers	**3,032.47**	**1,551.30**

ii) Revenue by geographical market:

Within India	1,881.04	1,431.20
Outside India	1,151.43	120.10
Total revenue from contracts with customers	**3,032.47**	**1,551.30**

Notes to the standalone financial statements for the year ended March 31, 2024

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

iii) Contract balances

The following table provides information about contract balances from contracts with customers as at the reporting date

Particulars	As at March 31, 2024	As at March 31, 2023
Unbilled revenue (Refer note 8) - Contract assets	105.72	500.49
Unearned revenue (Refer Note 22) - Contract liabilities	461.89	0.43
Customer advances (Refer Note 22) - Contract liabilities	312.99	374.48

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.

Contract liabilities have increased as the group has done more billing for the future products and services to be provided.

iv) Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year

Particulars	As at March 31, 2024	As at March 31, 2023
Unearned revenue	0.43	-
Customer advance	374.48	1,533.20

(v) Remaining performance obligations:

The Company 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.

vi) Reconciliation between revenue recognised in Statement of profit and loss and contract price

There is no significant difference between revenue recognised in Statement of profit and loss and contract price.

25 Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net gain on current investments designated at fair value through profit or loss (FVPL)	2.34	3.48
Interest income on loan to subsidiaries	1,608.49	485.20
Interest income on bank deposits	-	40.93
Miscellaneous income	148.85	1.47
Total	**1,759.68**	**531.08**

26 Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	-	-
Add: Purchases	2,716.61	1,127.78
Inventories at the end of the year	-	-
Total	**2,716.61**	**1,127.78**

27 Employee benefits expense

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries, wages & bonus	961.60	1,364.37
Contribution to provident fund (Refer note 37)	91.95	64.73
Gratuity expense (Refer note 37)	30.60	39.81
Staff welfare expenses	43.60	21.79
Expenses recovered from group companies	(124.42)	(257.93)
Total	**1,003.33**	**1,232.77**

28 Finance costs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest expense on financial liabilities measured at amortised cost	1,602.37	512.02
Interest on lease liabilities	29.57	36.61
Other finance costs	2.16	93.81
Less: Expenses recovered from group companies	-	(15.02)
Total	**1,634.10**	**627.42**

29 Depreciation and amortization expense

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation of property, plant and equipment	52.74	9.63
Depreciation of right-of-use assets	95.10	95.10
Amortization of intangible assets	15.92	6.90
Expenses recovered from group companies (including capitalised)	(71.87)	(38.98)
Total	**91.89**	**72.65**

30 Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power and fuel	7.30	8.04
Site expenses and contract labour charges	72.02	197.08
Freight and forwarding charges (net)	1.30	-
Advertisement and sales Promotion	18.40	11.14
Rates and taxes	1.00	74.61
Insurance	27.07	19.83
Repairs and maintenance		
- Buildings	99.43	69.88
Travelling and conveyance	52.19	31.17
Communication expenses	5.24	4.90
Printing and stationery	1.27	1.28
Commission on Sale	43.81	-
Legal and professional fees (including auditor's remuneration - Refer note 32)	132.26	114.92
Recruitment Expenses	22.33	16.05
Reversal of Corporate allocation charged to subsidiaries	243.04	-
Miscellaneous expenses (including bank charges)	169.73	132.42
Expenses recovered from group companies	(12.87)	(67.38)
Total	**883.52**	**613.94**

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

31 Loss per share

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss attributable to the equity shareholders of the Company	(1,400.32)	(1,628.34)
Weighted average number of equity shares of Rs 10/- each	267,365,081	104,302,584
Basic and Diluted loss per share	**(0.52)**	(1.56)

32 Auditor's remuneration

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
As auditor		
Statutory audit fees	24.00	12.00
Others	9.05	6.90
Out of Pocket expenses	1.17	-
Total	**34.22**	**18.90**

33 Tax expenses

The income tax expense consists of following:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	-	-
Deferred tax (benefit) / charge	-	36.16
Total	**-**	**36.16**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss before tax	(1,400.32)	(1,592.18)
Indian statutory income tax rate	25.17%	25.17%
Expected tax expense/ (credit)	(352.46)	(400.75)
Deferred tax assets not recognised on losses and depreciation	352.46	400.75
Previously recognised deferred tax assets written off	-	36.16
Total tax expense	**-**	**36.16**

34 Contingent Liabilities and commitments

Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debt*	265.00	265.00

*Claims against the Company not acknowledged as debt on account of ongoing arbitration/ legal dispute. Based on the legal opinion on the matter and management's assessments of the facts of the case, no provision is required to be made for the matter. Pending resolution of the matter, it is not practicable to estimate the timing of cash outflows, if any.

Capital commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Nil (March 31, 2023 Nil)

35 Leasing Arrangements

Where the Company is lessor

a) Amounts receivable under Finance lease -

The Company has entered into certain arrangements with its customers where the Company will supply electricity by installing solar power generating system at their customers' premises. The Company 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.

Particulars	Gross Investment in lease		Present value of minimum lease payments	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Within one year	66.51	66.51	59.04	59.04
After one year but not more than five years	212.42	248.18	124.48	136.12
More than five years	266.54	297.30	62.90	65.94
	545.47	**611.99**	**246.42**	**261.10**
Less: Unearned finance income	299.05	350.89	-	-
Present value of minimum lease payments receivable	246.42	261.10	246.42	261.10
Allowance for uncollectible lease payments	-	-	-	-

Particulars	March 31, 2024	March 31, 2023
Current portion of finance lease receivables	59.04	59.04
Non-current portion of finance lease receivables	187.38	202.06

Particulars	March 31, 2024	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	16.38% - 28.19%	16.38% - 28.19%

(b) Operating Lease

The Company has leased a solar power generating system for selling of power generated through the system. The Company has determined, that fulfilment of this arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use this specific asset. Accordingly, this arrangement qualifies as an arrangement in the form of lease as specified in Ind-AS 116. Lease rentals are recognised in the statement of profit and loss for the year as miscellaneous receipts in other operating revenue. The tenure of lease agreement is 15 years.

Particulars	March 31, 2024	March 31, 2023
Lease received for the year	85.15	-

Particulars	March 31, 2023	March 31, 2022
Future minimum lease rental receivables under non-cancellable operating leases are as follows:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-

(c) Operating lease: Company as lessee

The Company has taken office building for a tenure of 5 years, and has extension option for as per mutual consent. There are no variable lease payments and residual value guarantees for these leases.

Extension and termination options are included in leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

Carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	378.40	446.32
Additions	-	-
Accretion of interest	29.57	36.61
Payments made	(109.76)	(104.53)
Total	298.21	378.40
Current portion	110.36	103.30
Non-current portion	187.85	275.10
Total	**298.21**	**378.40**

Details of amounts recognised in statement of profit and loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of right-of-use assets	23.23	56.12
Interest expense on lease liabilities	29.57	21.59
Total amount recognised in statement of profit or loss	**52.80**	**77.71**

36 Disclosure required under Section 186(4) of Companies Act, 2013

a) Loans and advance to related parties includes loan given to a subsidiary. The particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013

Name of the party	Rate of interest	Repayment terms	As at March 31, 2024	As at March 31, 2023
First Energy TN1 Private Limited	8.00% - 8.15%	The loan shall be repaid within a period of 180 days (March 31, 2023 - 90 days)	747.00	90.00
First Energy TN1 Private Limited*	8.60%	The loan shall be repaid within a period of 2 years	132.00	-
First Energy 2 Private Limited*	8.45%-8.60%	The loan shall be repaid within a period of 180 days to 3 years	235.00	-
First Energy 3 Private Limited*	8.60%	The loan shall be repaid within a period of 3 years	836.34	-
First Energy 4 Private Limited*	8.15% - 8.45%	The loan shall be repaid within a period of 1 year (March 31, 2023 - Loan shall be repaid within a period of 90 Days)	170.00	12,357.50
First Energy 5 Private Limited	8.00% - 8.15%	The loan shall be repaid within a period of 1 year (March 31, 2023 - Loan shall be repaid within a period of 180 days)	14,769.41	2,610.00
First Energy 6 Private Limited	8.00% - 8.15%	The loan shall be repaid within a period of 2 years (March 31, 2023 - Loan shall be repaid within a period of 180 days)	823.00	1,072.19
First Energy 7 Private Limited	8.15%	The loan shall be repaid within a period of 180 days	859.00	-
Jalansar Wind Energies Private Limited*	8.45%	The loan shall be repaid within a period of 1 year	20.00	-
Kanakal Wind Energies Private Limited*	8.15%	The loan shall be repaid within a period of 1 year	8.00	-

Purpose :

Loan has been granted for the working capital purpose.

All other loans have been granted to subsidiaries for the purpose of incurring capital expenditures.

37 Gratuity

A Defined Contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 91.95 lakhs (March 31, 2023 – Rs 64.73 lakhs).

B Defined Benefit plans and Other Long Term Plans

i) Compensated Absences

The entire amount of the provision of Rs. 95.46 lakhs (March 31, 2023 – Rs. 39.58 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	March 31, 2024	March 31, 2023
Leave obligations not expected to be settled within the next 12 months	80.36	32.06

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

ii) Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees as per the Payment of Gratuity Act, 1972. Every employee who has completed at least specified years of service is eligible for gratuity calculated at 15 days (minimum) of the last drawn salary for each completed year of service. The Company has not funded the liability as on March 31, 2024.

I Changes in the net benefit obligation and fair value of plan assets are as follows :

Particulars	Amount
April 01, 2022	**20.69**
Current service cost	33.11
Interest expense/(income)	4.49
Transfer In	2.21
Total amount recognised in Profit or Loss	**39.81**
Experience adjustments	(8.28)
Actuarial loss from change in financial assumptions	3.53
Total amount recognised in Other Comprehensive (Income)/Loss	**(4.75)**
Benefits paid	(6.81)
March 31, 2023	**48.94**
Current service cost	26.36
Transfer In	0.94
Interest expense/(income)	3.30
Total amount recognised in Profit or Loss	**30.60**
Experience adjustments	10.25
Actuarial gain from change in financial assumptions	6.74
Demographic adjustments	**0.99**
Total amount recognised in Other comprehensive (income)/ loss	17.98
Benefits paid	**(10.01)**
March 31, 2024	**87.51**

II Significant estimates

The significant actuarial assumptions were as follows :

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.20%	7.40%
Salary growth rate	10.00%	9.00%
Normal retirement age	60	60
Mortality table	IALM(2012-14) Ultimate	IALM(2012-14) Ultimate
Employee turnover	10.00%	12.00%

III Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	March 31, 2024	March 31, 2023
Discount rate		
1.00% increase	Decrease by 6.38	Decrease by 3.11
1.00% decrease	Increase by 7.25	Increase by 3.49
Future salary increase		
1.00% increase	Increase by 6.14	Increase by 2.93
1.00% decrease	Decrease by 5.53	Decrease by 2.67
Attrition rate		
1.00% increase	Decrease by 1.01	Decrease by 0.27
1.00% decrease	Increase by 1.13	Increase by 0.30

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.

IV. The following are the expected cash flows/contribution to the defined benefit plan in future years:

Particulars	March 31, 2024	March 31, 2023
Within next 12 months	10.10	3.23
Between 2-5 years	27.99	22.15
Next 5 years	212.02	120.73

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.14 years (March 31, 2023: 10 years)

iii) Other long-term employee benefits

Company offers cash bonuses to certain managerial employees the amount of which is based on performance of the company in a specific year. The amount of provision recognised for the long term employee benefit is Rs. 754.70 lakhs (March 31, 2023: Rs. 427.84 lakhs).

First Energy Private Limited

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

b) Disclosure of loans given to/ investment made in subsidiary company from the funds received from funding party.

For March 31, 2024:

Name of the funding party	Amount received from funding party	Date of funding	Nature of transactions	Name of the beneficiary	Amount invested in/ loan to the beneficiary	Date of further investment into beneficiary	Nature of transactions
Thermax Limited	2,000.00	April 29, 2023	Equity	First Energy 4 Private Limited	2,000.00	April 30, 2023	Equity
	3,071.00	May 23, 2023		First Energy 4 Private Limited	3,071.00	May 24, 2023	
	6,950.00	June 1, 2023		First Energy 5 Private Limited	6,950.00	June 1, 2023	
	1,650.00	June 2, 2023		First Energy 6 Private Limited	1,650.00	June 6, 2023	
	60.00	August 29, 2023		First Energy 5 Private Limited	60.00	August 29, 2023	
	150.00	August 29, 2023		First Energy 6 Private Limited	150.00	August 29, 2023	
	15.00	November 23, 2023		First Energy 6 Private Limited	15.00	November 24, 2023	
	1,338.00	January 11, 2024		First Energy 7 Private Limited	1,338.00	January 12, 2024	
	6,535.00	January 30, 2024		First Energy 8 Private Limited	6,535.00	February 2, 2024	
	143.00	September 21, 2023		First Energy 3 Private Limited	143.00	September 21, 2023	Loan
	370.00	April 13, 2023	Loan	First Energy 6 Private Limited	369.03	April 5, 2023	Loan
	60.00	February 15, 2023		First Energy 5 Private Limited	277.00	April 6, 2023	
	95.00	March 14, 2023					
	122.00	March 29, 2023					
	150.00	March 29, 2023		First Energy 5 Private Limited	150.00	April 26, 2023	
	10,200.00	April 18, 2023		First Energy 4 Private Limited	10,200.00	April 18, 2023	
	550.00	July 3, 2023		First Energy 4 Private Limited	550.00	July 3, 2023	
	1,100.00	July 5, 2023		First Energy 4 Private Limited	1,100.00	July 5, 2023	
	2,700.00	July 11, 2023		First Energy 4 Private Limited	2,700.00	July 11, 2023	
	3,870.00	July 11, 2023		First Energy 4 Private Limited	3,870.00	July 11, 2023	
	1,550.00	July 27, 2023		First Energy 4 Private Limited	1,550.00	August 1, 2023	
	1,050.00	August 7, 2023		First Energy 4 Private Limited	1,050.00	August 7, 2023	
	500.00	August 10, 2023		First Energy 4 Private Limited	500.00	August 11, 2023	
	20.00	September 4, 2023		First Energy 4 Private Limited	20.00	September 5, 2023	
	1,850.00	August 11, 2023		First Energy 4 Private Limited	1,850.00	August 11, 2023	
	450.00	August 29, 2023		First Energy 6 Private Limited	450.00	August 29, 2023	
	1,430.00	September 5, 2023		First Energy 6 Private Limited	1,430.00	September 5, 2023	
	1,720.00	September 11, 2023		First Energy 6 Private Limited	1,720.00	September 11, 2023	
	7,414.00	September 13, 2023		First Energy 6 Private Limited	1,174.00	September 14, 2023	
				First Energy 5 Private Limited	6,240.00	September 14, 2023	
	250.00	September 21, 2023		First Energy 3 Private Limited	250.00	September 21, 2023	
	100.00	September 28, 2023		First Energy 2 Private Limited	100.00	September 28, 2023	
	350.00	October 4, 2023		First Energy 6 Private Limited	350.00	October 4, 2023	
	150.00	October 9, 2023		First Energy 6 Private Limited	150.00	October 9, 2023	
	650.00	October 11, 2023		First Energy 6 Private Limited	650.00	October 11, 2023	
	3,940.00	October 3, 2023		First Energy 5 Private Limited	1,720.00	October 4, 2023	
				First Energy 6 Private Limited	2,220.00	October 4, 2023	
	40.00	October 30, 2023		First Energy 4 Private Limited	40.00	October 30, 2023	
	584.00	November 6, 2023		First Energy 6 Private Limited	584.00	November 6, 2023	
	800.00	November 15, 2023		First Energy 5 Private Limited	800.00	November 15, 2023	
	1,435.00	November 23, 2023		First Energy 7 Private Limited	858.00	November 23, 2023	
				First Energy TN1 Private Limited	577.00	November 24, 2023	

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Name of the funding party	Amount received from funding party	Date of funding	Nature of transactions	Name of the beneficiary	Amount invested in/ loan to the beneficiary	Date of further investment into beneficiary	Nature of transactions
Thermax Limited	77.00	November 23, 2023	Loan	First Energy TN1 Private Limited	77.00	November 24, 2023	Loan
	100.00	December 13, 2023		First Energy 5 Private Limited	100.00	December 13, 2023	
	875.00	December 21, 2023		First Energy 5 Private Limited	875.00	December 21, 2023	
	525.00	December 26, 2023		First Energy 5 Private Limited	525.00	December 26, 2023	
	350.00	December 28, 2023		First Energy 5 Private Limited	350.00	December 28, 2023	
	130.00	January 29, 2024		First Energy 4 Private Limited	130.00	January 29, 2024	
	210.00	February 6, 2024		First Energy TN1 Private Limited	210.00	February 7, 2024	
	462.00	February 8, 2024		First Energy 5 Private Limited	262.00	February 8, 2024	
				First Energy 6 Private Limited	200.00	February 8, 2024	
	1,300.00	March 1, 2024		First Energy 5 Private Limited	1,300.00	March 1, 2024	
	1,480.00	March 5, 2024		First Energy 5 Private Limited	1,480.00	March 5, 2024	
	1,470.00	March 12, 2024		First Energy 5 Private Limited	1,470.00	March 12, 2024	
	435.00	March 19, 2024		First Energy 5 Private Limited	435.00	March 19, 2024	
	310.00	March 19, 2024		First Energy 6 Private Limited	310.00	March 19, 2024	
	435.00	March 21, 2024		First Energy 5 Private Limited	435.00	March 21, 2024	
	1,740.00	March 28, 2024		First Energy 5 Private Limited	1,740.00	March 28, 2024	

For March 31, 2023 :

Name of the funding party	Amount received from funding party	Date of funding	Nature of transactions	Name of the beneficiary	Amount invested in/ loan to the beneficiary	Date of further investment into beneficiary	Nature of transactions
Thermax Limited	1,260.00	June 30, 2022	Equity	First Energy 2 Private Limited	200.00	July 5, 2022	Equity
				First Energy 2 Private Limited	25.00	July 7, 2022	Equity
				First Energy 2 Private Limited	125.00	July 29, 2022	Equity
				First Energy 2 Private Limited	500.00	August 1, 2022	Equity
				Jalansar Wind Energy Private Limited	160.00	August 1, 2022	Equity
				Kanakal Wind Energy Private Limited	240.00	August 1, 2022	Equity
	4,300.00	August 4, 2022	Loan	First Energy 3 Private Limited	3,891.00	August 4, 2022	Loan
				First Energy 3 Private Limited	75.00	August 18, 2022	Loan
				First Energy 3 Private Limited	10.00	August 23, 2022	Loan
				First Energy 3 Private Limited	20.00	September 14, 2022	Loan
				First Energy 3 Private Limited	304.00	December 31, 2022	Loan
	1,000.00	September 5, 2022	Equity	First Energy 3 Private Limited	500.00	September 7, 2022	Equity
				First Energy 3 Private Limited	500.00	September 8, 2022	Equity
	3,000.00	September 8, 2022	Equity	First Energy 3 Private Limited	3,000.00	September 12, 2022	Equity
	2,200.00	December 26, 2022	Loan	First Energy 3 Private Limited	2,200.00	February 22, 2023	Loan
	5,500.00	December 28, 2022	Loan	First Energy 3 Private Limited	5,500.00	December 28, 2022	Loan
	10,200.00	January 19, 2023	Loan	First Energy 4 Private Limited	10,200.00	January 19, 2023	Loan
	2,384.00	January 31, 2023	Equity	First Energy 3 Private Limited	3,384.00	February 6, 2023	Equity
	1,000.00	February 1, 2023	Equity				
	3,000.00	February 15, 2023	Loan	First Energy 4 Private Limited	850.00	February 15, 2023	Loan
				First Energy 5 Private Limited	1,200.00	February 15, 2023	Loan
				First Energy 6 Private Limited	547.00	February 15, 2023	Loan

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Name of the funding party	Amount received from funding party	Date of funding	Nature of transactions	Name of the beneficiary	Amount invested in/ loan to the beneficiary	Date of further investment into beneficiary	Nature of transactions
	2,200.00	March 1, 2023	Loan	First Energy 3 Private Limited	2,200.00	March 1, 2023	Loan
	2,500.00	March 14, 2023	Loan	First Energy 4 Private Limited	752.00	March 14, 2023	Loan
				First Energy 4 Private Limited	18.00	March 20, 2023	Loan
				First Energy 5 Private Limited	1,081.00	March 14, 2023	Loan
				First Energy 5 Private Limited	29.00	March 20, 2023	Loan
				First Energy 6 Private Limited	525.00	March 15, 2023	Loan
	1,200	March 29, 2023	Loan	First Energy 4 Private Limited	537.50	March 29, 2023	Loan
				First Energy TN1 Private Limited	90.00		Loan
				First Energy 5 Private Limited	300.00		Loan

38 Related party disclosures

A Ultimate Holding Company

No.	Name of the entity	Place of business/ Country of incorporation
1	RDA Holdings Private Limited	India

B Holding Company

No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Limited	India

C 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	
			March 31, 2024	March 31, 2023
1	First Energy TN 1 Private Limited (incorporated on January 29, 2022)*	India	100.00%	100.00%
2	First Energy 2 Private Limited (incorporated on March 30, 2022)*	India	100.00%	100.00%
3	First Energy 3 Private Limited (incorporated on May 05, 2022)*	India	100.00%	100.00%
4	First Energy 4 Private Limited (incorporated on December 07, 2022)*	India	100.00%	100.00%
5	First Energy 5 Private Limited (incorporated on December 13, 2022)*	India	100.00%	100.00%
6	First Energy 6 Private Limited (incorporated on March 23, 2023)*	India	100.00%	100.00%
7	First Energy 7 Private Limited (incorporated on March 26, 2023)**	India	100.00%	NA
8	First Energy 8 Private Limited (incorporated on August 10, 2023)	India	100.00%	NA
9	First Energy Nine Private Limited (incorporated on February 01, 2024)	India	100.00%	NA
10	Jalansar Wind Energy Private Limited (w.e.f. June 22, 2022)*	India	100.00%	100.00%
11	Kanakal Wind Energy Private Limited (w.e.f. June 22, 2022)*	India	100.00%	100.00%

*Includes 26% shares held by non-controlling shareholders for which Non-controlling shareholders have not been recognised as the Company has assessed that there is no risk reward relationship attributable to them.

**Includes 29% shares held by non-controlling shareholders for which Non-controlling shareholders have not been recognised as the Company has assessed that there is no risk reward relationship attributable to them.

D Companies under common control

1 Thermax Onsite Energy Solutions Limited

E Key Management Personnel:

1 Mr. Ashish Bhandari - Director
2 Mr. Rajendran Arunachalam - Director
3 Mr. Hemant Mohagaonkar - Director
4 Mr. Navjit Gill - Chief Executive Officer (till September 9, 2022)
5 Mr. Ravi Damaraju - Chief Executive Officer (w.e.f. November 8, 2022)
6 Mr. Mitish Somani - Chief Financial Officer (w.e.f. February 7, 2022 to April 5, 2024)
7 Mr. Sumit Rathi - Chief Financial Officer (w.e.f. May 6, 2024)
8 Ms. Meher Pheroz Pudumjee - Director (w.e.f. September 30, 2023)
9 Ms. Sampada Sakhare - Company Secretary

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

F Transactions with Related parties:

	Holding Company		Subsidiaries		Companies under common control		Key Management Personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Share subscribed	25,058.00	11,394.00	-	-	-	-	-	-	**25,058.00**	**11,394.00**
Investments in Subsidiaries	-	-	23,257.50	8,649.30	-	-	-	-	**23,257.50**	**8,649.30**
Borrowings availed	55,202.00	34,100.00		-	-	-	-	-	**55,202.00**	**34,100.00**
Loans given	-	-	44,800.58	32,529.69	-	-	-	-	**44,800.58**	**32,529.69**
Borrowings repaid (Outward)	53,555.09	17,200.00			-	-	-	-	**53,555.09**	**17,200.00**
Loan repayment received	-	-	42,330.51	16,400.00	-	-	-	-	**42,330.51**	**16,400.00**
Reimbursement of expenses received	-	16.28	1,510.47	8,024.25	6.98	-	-	-	**1,517.45**	**8,040.53**
Reimbursement of expenses paid	164.05	137.82	-	-	2.07	-	-	-	**166.12**	**137.82**
Corporate overhead allocation	-	-	151.65	383.86	-	-	-	-	**151.65**	**383.86**
Reversal of corporate overhead allocation	-	-	243.04	-	-	-	-	-	**243.04**	**-**
Interest Expense on intercorporate loan	1,598.27	642.48	-	-	-	-	-	-	**1,598.27**	**642.48**
Interest Income	-	-	1,608.49	485.20		-	-	-	**1,608.49**	**485.20**
Sale of Goods and Services	148.44	95.41	-	-	0.33	67.43	-	-	**148.77**	**162.84**
Purchase of Fixed Assets	-	-	-	-	-	782.90	-	-	**-**	**782.90**
Sales commission paid	43.81	-	-	-	-	-	-	-	**43.81**	**-**
Remuneration to key management personnel*	-	-	-	-	-	-	505.03	792.97	**505.03**	**792.97**

* Does not include provision made for gratuity and leave encashment since the same is calculated for all employee of the company as a whole.

G Balances as at the Year end

	Holding Company		Subsidiaries		Entities Controlled by Holding Company		Key Management Personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Loans	-	-	18,599.75	16,129.69	-	-	-	-	**18,599.75**	**16,129.69**
Trade receivable	19.79	90.02	-	-	8.23	2.40	-	-	**28.02**	**92.42**
Trade payables and other Liabilities	426.31	175.42	-	-	2.45	-	-	-	**428.75**	**175.42**
Borrowings	18,952.10	17,311.62	-	-	-	-	-	-	**18,952.10**	**17,311.62**
Other Receivables	-	-	576.28	600.65	-	-	-	-	**576.28**	**600.65**
Interest Accrued Receivable	-	-	405.24	185.10	-	-	-	-	**405.24**	**185.10**
Capital Creditor	-	-	-	-	-	898.10	-	-	**-**	**898.10**
Advance Given		6.00		-	-	-		-	**-**	**6.00**
Advance Given	11.26	5.81	-	-	-	-	-	-	**11.26**	**5.81**
Advance taken	1.61	4.79	-	-	2.25	-	-	-	**3.86**	**4.79**
Interest Accrued	363.22	189.23	-	-	-	-	-	-	**363.22**	**189.23**
Salary Payable	-	-	-	-	-	-	5.53	16.19	**5.53**	**16.19**
Provision for long term incentive*	-	-	-	-	-	-	444.41	309.54	**444.41**	**309.54**

* Does not include gratuity and leave encashment since the same is calculated for all employee of the company as a whole.

Terms and conditions for outstanding balances

1 All outstanding balances are unsecured, interest free and payable in cash, except for loans and borrowings which carries interest.

2 All transactions with related parties are assessed to be at arm's length by the management.

3 Key Management Personnel Compensation

Particulars	As at March 31, 2024	As at March 31, 2023
Short term employment benefits	248.62	443.67
Long-term employee benefits	134.87	309.54

39 Acquisition of subsidiaries

On June 22, 2022, the Company had signed a Share Purchase Agreement (SPA) with Sarjan Realities Private Limited, (the Sellers) for acquisition of 100% of Shares of Kanakal Wind Energy Private Limited and Jalansar Wind Energy Private Limited for Rs. 1 lakh each. On completion of the conditions precedent to SPA, Kanakal Wind Energy Private Limited and Jalansar Wind Energy Private Limited became subsidiaries of the Company.

40 Segment information

In accordance with paragraph 4 of Ind - AS 108 "Operating Segments", the Company has disclosed segment information only in the consolidated financial statements.

41 I. Fair value measurements

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	18,952.10	17,311.62
Lease Liabilities	298.21	378.40
Trade payable	979.32	331.27
Other liabilities	571.64	1,194.13
Total	**20,801.27**	**19,215.42**
Current liabilities	20,036.42	18,940.32
Non-current liabilities	764.85	275.10
Total	**20,801.27**	**19,215.42**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	**1,004.49**	**209.68**
Loans	18,028.41	16,129.69
Finance lease receivable	545.47	611.99
Other financial assets	1,050.15	853.38
Cash and cash equivalents	630.32	1,063.46
Bank balances other than cash and cash equivalents	0.97	0.94
Total	**21,259.81**	**18,869.14**
Current assets	21,025.67	18,623.67
Non-current assets	234.14	245.47
Total	**21,259.81**	**18,869.14**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at fair value through profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Investments		
Mutual funds	1.04	37.84
Total financial assets (Current)	**1.04**	**37.84**

Fair value of market linked mutual funds is determined using Net Asset Value (NAV) report issued by mutual fund house.

Investment from subsidiaries is excluded since it is accounted as per cost model as prescribed under para 10 of IND AS 27 Separate Financial Statements.

II 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

Particulars	Date of valuation	Level 1	Level 2	Level 3
Financial assets				
Investments				
Mutual funds	March 31, 2024	-	1.04	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2023

Particulars	Date of valuation	Level 1	Level 2	Level 3
Financial assets				
Investments				
Mutual funds	March 31, 2024	-	37.84	-

42 Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. 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. The Company also holds investments measured at fair value through profit and loss.

Risk is inherent in the Company'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 Company's continuing operations. 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 fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk. The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

a Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in fixed deposits. Change in interest rate is not expected to have any material impact on the Company's loss before tax.

Notes to the standalone financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

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. The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD.

Foreign exchange risk is managed on the basis of limits determined by management and a continuous assessment of current and expected exchange rate movements.

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 placing limits on individual and total equity/mutual fund instruments. Reports on the investment portfolio are submitted to the management on a regular basis. 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, lease receivable and contract assets) and from its investing activities including deposits with banks, loans to subsidiaries and other financial instruments.

Trade receivables and contract assets

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters. 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. There is no charge of impairment to Statement of profit and loss.

Expected credit loss for trade receivables under simplified approach

Trade receivables	As at March 31, 2024		
	Gross	Expected loss rate	Expected loss allowance
Unbilled			
Outstanding for following periods from the due date			
Unbilled	-	0%	-
Not due	481.54	0%	-
Less than 6 months	453.23	0%	-
6 months to 1 year	69.72	0%	-
Total	**1,004.49**		**-**

Trade receivables	As at March 31, 2023		
	Gross	Expected loss rate	Expected loss allowance
Unbilled			
Outstanding for following periods from the due date			
Not due	125.33	0%	-
Less than 6 months	84.35	0%	-
Total	**209.68**		**-**

Expected credit loss for contract assets under simplified approach

Contract assets	As at March 31, 2024			As at March 31, 2023		
	Gross	Expected loss rate	Expected loss allowance	Gross	Expected loss rate	Expected loss allowance
Expected loss allowance	105.72	0%	-	480.13	0%	-
Less than 6 months	-	0%	-	-	0%	-
6 months - 1 year	-	0%	-	20.36	0%	-
Total	**105.72**		**-**	**500.49**		**-**

Other financial assets carried at amortised cost

Company's exposure to other financial asset includes security deposits and lease receivable which is considered to be low risk. No loss allowance is required to be recognised for the same.

Loans to subsidiaries

Credit risk relating to loan to subsidiaries is managed by the Company's finance department. In calculating expected credit loss, the Company considers historic loss data of borrower and adjusts for forward-looking macroeconomic data. Basis the assessment performed, there is no charge of impairment to Statement of profit and loss.

Balances with Banks

Credit risk from balances with banks is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Investments of surplus funds are made only with approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

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.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

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

Maturities of financial liabilities

The tables below summarises the company's financial liabilities into relevant maturity profile based on contractual undiscounted payments :

March 31, 2024	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	411.62	17,963.48	577.00	-	-
Lease Liabilities	-	115.24	215.12	-	-
Trade Payables	-	979.32	-	-	-
Other payables	-	571.64	-	-	-

March 31, 2024	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	411.62	16,900.00	-	-	-
Lease Liabilities	-	103.3	236.25	94.11	-
Trade Payables	-	331.27	-	-	-
Other payables	-	1194.13	-	-	-

43 Analytical ratios

Sr. No.	Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Reasons for variance of more than 25%
1	Current Ratio	Current Assets	Current Liabilities	0.97	0.97	1%	Not applicable
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.56	1.70	-67%	Decrease due to increase in share capital during the year
3	Debt Service Coverage Ratio	Earnings available for debt service (Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service (Interest & Lease Payments + Principal Repayments)	0.01	(0.04)	-115%	Due to increase in debt repayment
4	Return on equity ratio	Net Profits after taxes before exceptional items	Average Shareholder's Equity	(0.06)	(0.24)	-74%	Due to increase in share capital
5	Inventory turnover ratio	Sale of goods	Average Inventory	Not applicable	Not applicable	Not applicable	No inventory at the end of the year
6	Trade receivables turnover ratio	Total Sales	Average Accounts Receivable	4.99	6.85	-27%	Decrease in ratio due to higher sales towards year end in current year which are yet to be realised
7	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	5.49	0.67	721%	Increase in ratios due to decrease in average payable
8	Net capital turnover Ratio	Total Sales	Average Working Capital	(5.62)	233.25	-102%	Increase in borrowings and payables resulted in adverse ratio
9	Return on capital employed	Earning before interest and taxes	Capital Employed	0.4%	-4%	-113%	Due to increase in earning before interest resulted in improvement in ratio
10	Return on investment	Earnings before interest and taxes	Average total assets	0.5%	-1%	-146%	

Working Capital = Current assets less Current liabilities

Capital employed = Tangible Net worth + total debt

Average = ((Opening + Closing) / 2))

Notes to the standalone financial statements for the year ended March 31, 2024

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

44 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

Particulars	March 31, 2024	March 31, 2023
Borrowings	**(18,952.10)**	**(17,311.62)**
Lease liabilities	(298.21)	(378.40)
Less: Cash and cash equivalents (includes other bank balances)	631.29	1,064.40
Net surplus / (debt)	**(18,619.02)**	**(16,625.62)**
Equity	33,846.96	10,212.20
Net Debt to Equity	**(0.55)**	**(1.63)**

Net debt to equity has increased on account of increase in debt and also there has been increase in equity

45 Other Statutory Information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(iv) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company had working capital limits of more than Rs. 5 Crores however, the Company is not required to file quarterly returns or statement of current assets with the banks.

(vi) None of the Companies in the Company have been declared willful defaulter by any bank or financial institution or government or government authorities.

(vii) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous year.

46 Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i. 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

ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any funds except as mentioned in note 36(b), from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i. directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)

or

ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
First Energy Private Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN :01308831

Ravi Damaraju
Chief Executive Officer

Sumit Rathi
Chief Financial Officer

Sampada Sakhare
Company Secretary

Place: Pune
Date: May 6, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy Private Ltd

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of First Energy Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 32 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, and consolidated total comprehensive loss (comprising of loss and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report 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 the 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

5. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 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.

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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.

7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

8. 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.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 consolidated 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 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 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 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.

10. We communicate with those charged with governance of the Holding Company and such other entities included in 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.

11. 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.

Report on Other Legal and Regulatory Requirements

12. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

13. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies as on March 31, 2024 taken on record by the respective Board of Directors, none of the directors of the Group companies 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.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 13(b) above on reporting under Section 143(3)(b) and paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (h) 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, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 29 to the consolidated financial statements.

        ii. The Group was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2024.

        iii. During the year ended March 31, 2024, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

        iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 43 to the financial statements, no funds (which are material either individually or in the aggregate) 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 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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 Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 43 to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the 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 Company or any of such subsidiaries shall, 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.

            (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

        v. The Holding Company and its subsidiary companies, have not declared or paid any dividend during the year.

        vi. Based on our examination, which included test checks, the Group has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

14. The Group have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846

UDIN: 24109846BKGXSM6022
Place : Pune
Date : May 8, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 13(g) of the Independent Auditor's Report of even date to the members of First Energy Private Limited on the consolidated financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of First Energy Private Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number: 109846
UDIN : 24109846BKGXSM6022

Place: Pune
Date: : May 8, 2024

Consolidated Balance Sheet as at March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	77,406.29	10,225.40
Right-of-use assets	3(b)	1,781.97	1,648.60
Capital work-in-progress	3 (a)	39,382.57	38,270.84
Other intangible assets	4	30.12	40.36
Financial assets			
(i) Finance lease receivable	30	187.38	202.06
(ii) Other financial assets	5(a)	230.17	388.03
Income tax assets (net)	6	232.90	65.83
Other non-current assets	7(a)	9,475.13	14,586.78
Total non-current assets		**128,726.53**	**65,427.90**
Current assets			
Financial assets			
(i) Investments	8	2,124.96	37.84
(ii) Trade receivables	9	2,022.59	315.58
(iii) Cash and cash equivalents	10(a)	2,830.25	12,339.77
(iv) Bank balance other than (iii) above	10(b)	498.40	0.94
(v) Finance lease receivable	30	59.04	59.04
(vi) Other financial assets	5(b)	985.30	186.60
Other current assets	7(b)	416.70	810.09
Total current assets		**8,937.24**	**13,749.86**
Total assets		**137,663.77**	**79,177.76**
Equity and liabilities			
Equity			
Equity share capital	11	40,398.64	15,340.64
Other equity	12	(2,641.19)	(3,360.74)
Total Equity		**37,757.45**	**11,979.90**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	69,051.96	34,149.42
(ii) Lease liabilities	19(a)	1,043.41	893.01
(iii) Other financial liabilities	14(a)	3,046.96	1,218.55
Provisions	15(a)	832.11	473.56
Deferred tax liabilities (net)	16	29.55	0.90
Other non-current liabilities	17(a)	77.82	33.47
Total non-current liabilities		**74,081.81**	**36,768.91**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(b)	19,846.01	25,795.61
(ii) Lease liabilities	19(b)	168.48	112.18
(iii) Trade payables	18		
a) total outstanding dues of micro enterprises and small enterprises		83.86	91.17
b) total outstanding dues of other than micro enterprises and small enterprises		1,284.28	279.08
(iv) Other financial liabilities	14(b)	2,638.75	3,088.04
Provisions	15(b)	108.56	45.80
Other current liabilities	17(b)	1,694.57	1,017.07
Total current liabilities		**25,824.51**	**30,428.95**
Total equity and liabilities		**137,663.77**	**79,177.76**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.
As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy Private Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN :01308831

Ravi Damaraju
Chief Executive Officer

Sumit Rathi
Chief Financial Officer

Sampada Sakhare
Company Secretary

Place: Pune
Date : May 6, 2024

First Energy Private Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Revenue from operations	20	8,522.79	1,802.67
Other income	21	587.24	129.97
Total Income (I)		**9,110.03**	**1,932.64**
Expenses			
Cost of materials consumed	22	2,716.61	1,127.78
Employee benefits expense	23	1,127.75	1,490.71
Finance costs	24	4,353.86	346.39
Depreciation and amortisation expense	25	2,472.46	164.05
Other expenses	26	1,713.94	850.18
Total expenses (II)		**12,384.62**	**3,979.11**
Loss before tax (III) = (I - II)		**(3,274.59)**	**(2,046.47)**
Income Tax expense			
Current tax	27	0.67	-
Deferred tax	16	28.65	43.37
Total tax expense (IV)		**29.32**	**43.37**
Loss for the year (V)=(III-IV)		**(3,303.91)**	**(2,089.84)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		(17.98)	4.75
Re-measurement on post employment benefit obligations		(17.98)	4.75
Total Other comprehensive income/(loss) for the year, net of tax		(17.98)	4.75
Total comprehensive loss for the year		**(3,321.89)**	**(2,085.09)**
Loss per share			
Basic and Diluted	28	(1.24)	(2.00)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy Private Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN :01308831

Ravi Damaraju
Chief Executive Officer

Sumit Rathi
Chief Financial Officer

Sampada Sakhare
Company Secretary

Place: Pune
Date : May 6, 2024

Consolidated Statement of Cash Flows for the year ended March 31, 2024

(All amounts are in Rupees Lakhs, except stated otherwise)

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A)	**Cash flows from operating activities**		
	Loss before tax	(3,274.59)	(2,046.47)
	Adjustments for		
	Depreciation and amortization expenses	2,472.46	164.05
	Interest income on bank deposits	(62.35)	(107.36)
	Net gain on current investments designated at FVPL	(42.15)	(2.07)
	Finance costs	4,353.86	346.39
	Working capital adjustments		
	(Increase) in trade receivables	(1,707.01)	(74.36)
	(Increase) in other financial assets	(572.72)	(343.61)
	Decrease in finance lease receivable	14.68	-
	Decrease in other assets	382.86	2,022.13
	Increase/(decrease) in trade payables	997.88	(4,504.99)
	Increase in provisions	403.33	493.13
	Increase in other financial liabilities	102.12	92.41
	Increase/(decrease) in other liabilities	721.86	(515.47)
	Cash generated from / (used in) operations	**3,790.23**	**(4,476.22)**
	Income taxes paid (net of refunds received)	(167.07)	(58.48)
	Net cash inflow/(outflow) from operating activities	**3,623.16**	**(4,534.70)**
B)	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(64,214.79)	(56,628.57)
	Payments for intangible assets	(8.53)	(27.27)
	Proceeds from sale of property, plant and equipment	127.42	-
	Payments for asset acquisition (refer note 36)	-	(2.00)
	Initial direct cost pertaining to right-of-use assets	(17.96)	(583.23)
	Fixed Deposits with Banks net	(572.65)	(75.05)
	Interest income received	69.43	89.95
	Payments for purchase of current investments	(6,309.48)	-
	Proceeds from sale of current investments	4,264.51	-
	Net cash flows used in investing activities	**(66,662.05)**	**(57,226.17)**
C)	**Cash flows from financing activities**		
	Proceeds from issue of shares	25,058.00	8,644.00
	Proceeds from borrowings	91,130.50	82,405.18
	Repayment of borrowings	(61,932.13)	(22,495.00)
	Transaction cost on borrowings	(245.43)	(410.00)
	Interest paid [includes capitalized amount of INR 2,277.08 (March 31, 2023 - INR 1,105.17)]	(6,144.75)	(1,107.79)
	Transactions with non-controlling shareholders	5,974.88	3,615.90
	Principal element of lease payments	(47.95)	(167.79)
	Cost related to issue of own equity shares	(263.75)	(312.18)
	Net cash flows from financing activities	**53,529.37**	**70,172.32**
	Net increase/(decrease) in cash and cash equivalents	**(9,509.52)**	**8,411.45**
	Cash and cash equivalents at the beginning of the year	12,339.77	3,928.32
	Cash and cash equivalents at the end of the year	**2,830.25**	**12,339.77**
	Non - cash financing and investing activities		
	-Acquisition of right-of-assets	254.65	726.66

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents (Note 10 (a))	2,830.25	12,339.77
Balances as per statement of cash flows	**2,830.25**	**12,339.77**

Notes:
i) Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" in accordance with 'IND AS 7 : Statement of Cash Flows'.
ii) Refer Note 13(b) for Net debt reconciliation
The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy Private Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN :01308831

Ravi Damaraju
Chief Executive Officer

Sumit Rathi
Chief Financial Officer

Sampada Sakhare
Company Secretary

Place: Pune
Date : May 6, 2024

First Energy Private Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

A Equity Share Capital

	March 31, 2024	March 31, 2023
Balance at the beginning of the year	15,340.64	3,946.64
Changes in equity shares capital during the year	25,058.00	11,394.00
Balance at the end of the year	**40,398.64**	**15,340.64**

B Other Equity

Particulars	Reserves & Surplus			Share Application Money	Equity component of Compound Financial Instruments	Total Equity
	Securities premium	Retained earnings	Total			
As at April 1, 2022	**1,045.20**	**(4,716.14)**	**(3,670.94)**	**2,750.00**	**246.72**	**(674.22)**
Loss for the year	-	(2,089.84)	(2,089.84)	-	-	(2,089.84)
Other comprehensive income for the year	-	4.75	4.75	-	-	4.75
Total Comprehensive Income for the year	**-**	**(2,085.09)**	**(2,085.09)**	**-**	**-**	**(2,085.09)**
Share application money received for allotment of shares	-	-	-	8,644.00	-	8,644.00
Shares allotted against the share application money received	-	-	-	(11,394.00)	-	(11,394.00)
Cost related to issue of own equity instruments	(103.75)	(208.43)	(312.18)	-	-	(312.18)
Transactions with Non-Controlling Shareholders	-	2,460.75	2,460.75	-	-	2,460.75
As at March 31, 2023	**941.45**	**(4,548.91)**	**(3,607.46)**	**-**	**246.72**	**(3,360.74)**
Loss for the year	-	(3,303.91)	(3,303.91)	-	-	(3,303.91)
Other comprehensive income for the year	-	(17.98)	(17.98)	-	-	(17.98)
Total Comprehensive Income for the year	**-**	**(3,321.89)**	**(3,321.89)**	**-**	**-**	**(3,321.89)**
Share application money received for allotment of shares	-	-	-	25,058.00	-	25,058.00
Shares allotted against the share application money received	-	-	-	(25,058.00)	-	(25,058.00)
Cost related to issue of own equity instruments	(4.94)	(258.81)	(263.75)	-	-	(263.75)
Transactions with Non-Controlling Shareholders	-	4,305.19	4,305.19	-	-	4,305.19
As at March 31, 2024	**936.51**	**(3,824.42)**	**(2,887.91)**	**-**	**246.72**	**(2,641.19)**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.
As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy Private Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN :01308831

Ravi Damaraju
Chief Executive Officer

Sumit Rathi
Chief Financial Officer

Sampada Sakhare
Company Secretary

Place: Pune
Date : May 6, 2024

Notes to the consolidated financial statements for the year ended March 31, 2024

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

1. Corporate information

First Energy Private Limited ("the Company") and its subsidiaries (together referred to as 'the Group') is primarily involved in Power Generation from renewable energy and Engineering, Procurement and Construction of solar power plant and other ancillary activities.

The Company is a private limited group incorporated and domiciled in India. The address of its registered office is 14, Thermax House, Old Mumbai-Pune Highway, Wakdewadi Pune - 411003, India. The Board of Directors have authorized to issue these consolidated financial statements on May 6, 2024. The CIN of the Company is U40200PN2008FTC139032.

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the group consisting of First Energy Private Limited and its subsidiaries.

2.1. Basis of preparation and measurement

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The consolidated financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Summary of material accounting policies

a. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 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 the following streams of revenue:

- **Revenue from Sale of power**

Revenue from sale of power is recognised at transaction price and over time for 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. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

At the end of each reporting period, the Group updates the estimated transaction price to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. The Group accounts for such changes in the transaction price (including claims). Consideration / claim payable to a customer includes cash amounts that an entity pays to the customer. The Group accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. The consideration payable to a customer includes a variable amount.

- **Revenue from Engineering, Procurement and Construction contracts**

Engineering, Procurement and Construction (EPC) contracts are contracts 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 Group identifies distinct performance obligations in each contract. For most of the 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 recognized 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 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.

(All amounts in Rupees lakh, unless otherwise stated)

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 recognized 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 recognizes the expected losses from onerous contract as an expense immediately.

Penalties for any delay or improper execution of a contract are recognized as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

- **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 recognized on a time proportion basis under the contracts.

Contract balances

Contract assets: The contract assets relate to unbilled work in progress. If the Group satisfies performance obligation 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.

Trade receivables: 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). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

b. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

The estimated useful life is supported by independent assessment, 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)
Plant and equipment	10 to 25	10 to 15
Building	3 to 30	3 to 30
Roads	3	3
Office equipment	5 to 15	5
Furniture and fixtures	10 to 15	10
Computers and data processing units	3 to 6	3 to 6

c. Leases

Group as a lessee

The Group lease asset classes primarily consist of office buildings and leasehold lands. 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 recognizes a right-of-use 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized 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.

Right-of-use 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. Right of use 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 and amounts expected to be paid under residual value guarantees. There are no variable lease payments.

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 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 Group 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 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.

Group as a lessor

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 recognized 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 recognized 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.

d. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

e. Non controlling shareholders

Liability for put options issued to non-controlling shareholders in subsidiaries, to be settled in cash by the Company, which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is presented as financial liability. The non-controlling interests subject to put options are derecognised and the difference between the amount derecognised and present value of the redemption amount, is accounted for as an equity transaction.

2.4. Summary of other accounting policies

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2024.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

b. Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are recognised in profit and loss and are presented in the Consolidated Statement of Profit and Loss on a net basis.

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. 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

All financial assets (excluding trade receivables which do not contain a significant financing component) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Group:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 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 derecognized 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

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Group considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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.

e. Property, plant and equipment

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. The carrying amount of the replaced part is derecognised.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts in Rupees lakh, unless otherwise stated)

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized 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 recognized in the Statement of profit and loss when the asset is derecognized.

Intangible Assets are stated at acquisition cost less accumulated amortization and impairment losses, if any. The estimated useful lives of intangible assets are as follows:

Assets	Useful life
Software	3-6 years

i. Income recognition

i. Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

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.

g. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

i. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

j. Impairment of non-financial assets

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.

Impairment losses are recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

k. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

l. 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 recognizes 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 recognized 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 recognized 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 operates a defined benefit gratuity plan in India, which is unfunded. 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 are recognized 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 recognized in the Statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs.

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes 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

The liabilities for Other long-term employee benefits such as privileged leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss. The Group does not have an unconditional right to defer settlement for any of these obligations and therefore have been classified as current liability. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within twelve months.

Provision for Long term incentive is calculated using the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost.

m. Segment Reporting

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 First Energy Private Limited has been identified as the chief operating decision maker of the Group.

n. Contingent liabilities

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.

o. Earnings Per Share (EPS)

The Group presents the basic and diluted EPS data for its equity shares. Basic EPS is computed by dividing the net profit for the year attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. 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).

p. Rounding of amounts:

Amounts disclosed in the consolidated financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

i. Revenue from contracts with customers

A significant revenue of the Group's business relates to EPC contracts which is accounted using cost-based input method, recognizing 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 judgements of the extent of progress towards completion including accounting of multiple contracts which need to be combined and considered as a single contract.

ii. Ind AS 116 – Leases

In determining whether revenue contract (power purchase agreement) with customer especially when entire contractual capacity of one project (solar / wind project) is committed to one customer, management exercises judgement in concluding whether contract contains lease. Management takes into consideration who is responsible for design of the project and who has right to direct the use of solar plant.

iii. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

iv. Fair value measurement of assets acquired

Significant management judgement is involved in determining whether assets acquired in a particular transaction constitute a 'business' in accordance with the principles laid down in Ind AS 103 – Business Combinations, identification of the assets acquired and liabilities assumed; and measurement of their fair values using appropriate valuation methods to be adopted involves key assumptions like the discount rate and expected demand.

v. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

vi. Non-controlling shares

In determining whether Non controlling interest (NCI) is to be recognised with respect to shares held by Non controlling shareholders, management takes into consideration the contracts entered, dividend rights and risk reward relationship and exercises judgement in concluding whether NCI is to be recognized.

vii. Recognition of insurance claim income

Significant judgment is involved in concluding virtual certainty of insurance reimbursement and recognizing insurance claim asset. In determining whether receipt of insurance claim pertaining to expenditure/loss incurred is virtually certain, management takes into consideration communication from the Insurance company confirming whether the expenditure/loss pertaining to asset and event causing the expenditure/loss are within the scope of insurance policy.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. EPC contracts:

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, contract assets and contract liabilities.

ii. Impairment of non-financial assets

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

iii. Long term incentives

The provision for long term incentives is recognized considering the estimated payout expected by the Group at present value using projected unit credit method. These include the determination of the discount rate. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the attrition 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.

iv. Impairment of financial assets

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.

v. Useful lives of property, plant and equipment and intangible assets

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.

vi. Deferred taxes

At each balance sheet date, the Group assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

vii. Recognition and measurement of provision and contingencies

The Group recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

First Energy Private Limited

3 (a) Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant and equipment *	Roads	Office Equipment	Computer	Furniture and Fixtures	Total	Capital work in progress
Year ended March 31, 2023									
Gross carrying amount									
Opening gross carrying amount	-	-	-		4.62	25.87	1.01	31.50	2,882.14
Additions	732.20	-	9,537.28		0.61	22.30	0.20	10,292.59	45,681.29
Disposals / Transfer	-	-	-		-	-	-	-	10,292.59
Closing gross carrying amount	**732.20**	**-**	**9,537.28**		**5.23**	**48.17**	**1.21**	**10,324.09**	**38,270.84**
Accumulated depreciation									
Opening accumulated depreciation	-	-	-		0.04	0.45	0.01	0.50	-
Depreciation charge during the year	-	-	88.56		0.32	9.24	0.07	98.19	-
Closing accumulated depreciation	**-**	**-**	**88.56**		**0.36**	**9.69**	**0.08**	**98.69**	**-**
Net carrying amount as on March 31, 2023	**732.20**	**-**	**9,448.72**		**4.87**	**38.48**	**1.13**	**10,225.40**	**38,270.84**
Year Ended March 31, 2024									
Gross carrying amount									
Opening gross carrying amount	732.20	-	9,537.28	-	5.23	48.17	1.21	10,324.09	38,270.84
Additions	215.22	525.17	68,623.03	296.11	5.99	16.08	11.28	69,692.88	70,804.61
Disposals / Transfer	127.42	-	-		-	-	-	127.42	69,692.88
Closing gross carrying amount	**820.00**	**525.17**	**78,160.31**	**296.11**	**11.22**	**64.25**	**12.49**	**79,889.55**	**39,382.57**
Accumulated depreciation									
Opening accumulated depreciation	-	-	88.56	-	0.36	9.69	0.08	98.69	-
Depreciation charge during the year	-	35.78	2,280.81	53.04	0.89	13.35	0.71	2,384.58	-
Closing accumulated depreciation	**-**	**35.78**	**2,369.37**	**53.04**	**1.25**	**23.04**	**0.79**	**2,483.27**	**-**
Net carrying amount as on March 31, 2024	**820.00**	**489.39**	**75,790.94**	**243.07**	**9.97**	**41.22**	**11.70**	**77,406.29**	**39,382.57**

*A portion of plant and equipment includes assets categorised as assets leased on operating lease arrangement. Refer note 30(b).

Asset Acquistion

During the previous year, the Group had acquired solar plants from the fellow subsidiary for consideration of Rs. 782.90. The aforesaid acquisition was not considered as business combination as it did not meet the definition of "business" given in Ind AS 103 – Business Combinations. The Group had recognised assets and liabilities acquired at their relative fair value as below. Also refer note 30

Net amount of Assets and Liabilities acquired

Particulars	Amount
Assets	
Solar plant	541.93
Finance lease receivable	261.10
Total assets acquired	**803.03**
Liabilities	
Security deposit of customer	20.13
Total Liabilities Assumed	**20.13**
Net Assets Acquired	**782.90**

Ageing of Capital work-in-progress (CWIP) :

CWIP		Amount in CWIP for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	**March 31, 2024**	**39,382.57**	**-**	**-**	**-**	**39,382.57**
	March 31, 2023	38,270.84	-	-	-	38,270.84
Total Capital work-in-progress	**March 31, 2024**	**39,382.57**	**-**	**-**	**-**	**39,382.57**
	March 31, 2023	38,270.84	-	-	-	38,270.84

Capital work-in-progress includes overdue projects amounting to Rs 38,843.63 lakhs (Previous year : Rs 38,126.56 lakhs). These projects are expected to be completed and capitalised between April 2024 to June 2024.

Notes:

(i) See note 35 for information on property, plant and equipment pledged as security by the group.

(ii) See note 29 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress mainly includes expenditure towards construction of new solar and wind renewable energy plants.

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

3 (b) Right- of- use assets

Particulars	Leasehold Land*	Building	Total
Year ended March 31, 2023			
Gross carrying amount			
Opening gross carrying amount	-	475.50	**475.50**
Additions*	1,309.88	-	**1,309.88**
Gross carrying amount as at March 31, 2023	**1,309.88**	**475.50**	**1785.38**
Accumulated depreciation			
Opening accumulated depreciation	-	23.78	**23.78**
Charge for the year	17.90	95.10	**113.00**
Closing accumulated depreciation	**17.90**	**118.88**	**136.78**
Net carrying amount as on March 31, 2023	**1,291.98**	**356.62**	**1,648.60**
Year ended March 31, 2024			
Gross carrying amount			
Opening gross carrying amount	**1,309.88**	**475.50**	**1,785.38**
Additions*	272.61	-	**272.61**
Gross carrying amount as at March 31, 2024	**1,582.49**	**475.50**	**2,057.99**
Accumulated depreciation			
Opening accumulated depreciation	17.90	118.88	**136.78**
Charge for the year	44.14	95.10	**139.24**
Closing accumulated depreciation	**62.04**	**213.98**	**276.02**
Net carrying amount as on March 31, 2024	**1,520.45**	**261.52**	**1,781.97**

*Includes initial direct costs incurred by the lessee amounting to Rs. 17.96 lakhs (March 31, 2023: Rs 592.84 lakhs)

Capitalization of expenses

During the year, the Group has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries and wages	928.63	446.89
Interest expenses	2,277.08	1,141.27
Depreciation	70.13	56.89
Others Expenses	21.15	74.11
Total	**3,296.99**	**1,719.16**

4 Intangible Assets

Particulars	Computer Software	Others	Total
Year ended March 31, 2023			
Gross carrying amount			
Gross carrying amount as at April 1, 2022	14.75	-	**14.75**
Additions	27.27	8.56	**35.83**
Gross carrying amount as at March 31, 2023	**42.02**	**8.56**	**50.58**
Accumulated amortisation			
Opening accumulated amortisation	0.47	-	**0.47**
Amortisation charge for the year	6.90	2.85	**9.75**
Closing accumulated amortisation	**7.37**	**2.85**	**10.22**
Net carrying amount as on March 31, 2023	**34.65**	**5.71**	**40.36**
Year ended March 31, 2024			
Gross carrying amount			
Gross carrying amount as at March 31, 2023	42.02	8.56	**50.58**
Additions	8.53	-	**8.53**
Gross carrying amount as at March 31, 2024	**50.55**	**8.56**	**59.11**
Accumulated amortisation			
Opening accumulated amortisation	7.37	2.85	**10.22**
Charge for the year	15.92	2.85	**18.77**
Closing accumulated amortisation	**23.29**	**5.70**	**28.99**
Net carrying amount as on March 31, 2024	**27.26**	**2.86**	**30.12**

5 (a) Non-current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits ;		
Unsecured, considered good	79.97	313.03
Bank deposits with maturity of more than 12 months*	150.20	75.00
Total	**230.17**	**388.03**

*Held as lien against borrowing facilities availed. Refer note 13.

5(b) Current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits ;		
Unsecured, considered good	942.50	120.20
Interest accrued on fixed deposits	13.04	20.12
Other receivables	29.76	46.28
Total	**985.30**	**186.60**

6 Income Tax Assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets (net)	232.90	65.83
Total	**232.90**	**65.83**

Notes to the consolidated financial statements for the year ended March 31, 2024

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

7(a) Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	9,424.24	14,546.42
Prepaid expenses*	50.89	40.36
Total	**9,475.13**	**14,586.78**

*Rs 38.23 lakhs (March 31 2023 : Rs 40.36 lakhs) relates to cost to obtain the contract, which will be amortised to Statement of Profit and Loss on a systematic basis consistent with the transfer of the goods and services to the customer.

7(b) Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good :		
Advance to supplier	49.52	73.64
Advance to employees	1.07	2.14
Balances with government authorities	156.95	174.73
Unbilled revenue (Contract assets)	105.72	500.49
Prepaid expenses	103.44	59.09
Total	**416.70**	**810.09**

8 Investments

Particulars	Number of units		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investments in Mutual Funds				
Measured at fair value through profit and loss (FVPL)				
Aditya Birla Sun Life Money Manager Fund Growth- Regular	-	11,967	-	37.84
DSP Overnight Fund Growth - Regular	2,596	-	88.71	-
HSBC Liquid Fund Growth - Regular	4,521	-	107.90	-
Nippon India Liquid Fund Growth - Regular	6,975	-	407.58	-
ICICI Prudential Overnight Fund Growth - Regular	22,556	-	289.74	-
HDFC Mutual Fund Growth - Regular	13,249	-	622.43	-
HSBC MF Pool Collection Account	25,456	-	607.56	-
Nippon India Overnight Fund Growth - Regular	810	-	1.04	-
Total	**76,163**	**11,967**	**2,124.96**	**37.84**
Aggregate amount of quoted investments and market value thereof			-	-
Aggregate amount of unquoted investments			2,124.96	37.84
Aggregate amount of impairment in the value of investments			-	-

9 Trade receivables

Current trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables from:		
(i) Related parties		
- Unbilled*	19.78	19.13
- Billed	-	92.42
(ii) Others		
- Unbilled*	997.77	78.30
- Billed	1,005.04	125.73
	2,022.59	**315.58**
Sub-classification of trade receivables		
Secured, considered good	-	-
Unsecured considered good	2,022.59	315.58
Trade receivables which have a significant increase in credit risk	-	-
Less: Impairment Allowance	-	-
Total	**2,022.59**	**315.58**

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

*The receivable is 'unbilled' because the group has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

The ageing of trade receivables

Particulars	Not Due	Unbilled	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	
As at March 31, 2024								
(i) Undisputed Trade Receivables- considered good	481.54	1,017.55	453.78	69.72	-	-	-	**2,022.59**
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
Total	**481.54**	**1,017.55**	**453.78**	**69.72**	**-**	**-**	**-**	**2,022.59**

Particulars	Not Due	Unbilled	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	
As at March 31, 2023								
(i) Undisputed Trade Receivables- considered good	144.46	78.30	92.82	-	-	-	-	**315.58**
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
Total	**144.46**	**78.30**	**92.82**	**-**	**-**	**-**	**-**	**315.58**

10(a) Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts	1,229.69	5,661.01
- in deposits with original maturity of less than three months	1,600.56	6,678.76
Total	**2,830.25**	**12,339.77**

10(b) Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than three months but remaining maturity less than 12 months	498.40	0.94
Total	**498.40**	**0.94**

11 Equity Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized shares		
525,000,000 (Previous year 325,000,000) equity shares of Rs. 10/- each.	52,500.00	32,500.00
	52,500.00	**32,500.00**
Issued, subscribed and fully paid share capital		
403,986,365 (Previous year 153,406,365) equity shares of Rs. 10/- each.	40,398.64	15,340.64
	40,398.64	**15,340.64**

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

Particulars	No. of shares	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2022	39,466,365	3,946.64
Changes during the year	113,940,000	11,394.00
As at March 31, 2023	153,406,365	15,340.64
Changes during the year	250,580,000	25,058.00
At March 31, 2024	**403,986,365**	**40,398.64**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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 ultimate holding / holding company

Particulars	As at March 31, 2024	As at March 31, 2023
Holding company		
Thermax Limited	40,398.64	15,340.64
403,986,359 (Previous year 15,34,06,359) equity shares of Rs. 10/- each.		

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

Particulars	As at March 31, 2024	As at March 31, 2023	% Change during the Year
(i) Thermax Limited			
% Holding	100%	100.00%	0.00%
No. of shares	403,986,359	153,406,359	

(e) Details of shareholding of promoters:

Particulars	As at March 31, 2024	As at March 31, 2023	% Change during the Year
(i) Thermax Limited			
% Holding	100.00%	100.00%	0.00%
No. of shares	403,986,359	153,406,359	

(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.

12 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Securities premium		
Opening balance	941.45	1,045.20
Less: cost related to issue of own equity instruments	(4.94)	(103.75)
Closing balance	**936.51**	**941.45**
Retained earnings		
Opening balance	(4,548.91)	(4,716.14)
Add : Loss for the year	(3,303.91)	(2,089.84)
Add : Other comprehensive income/(loss)	(17.98)	4.75
Less: Cost related to issue of own equity instruments	(258.81)	(208.43)
Transactions with Non controlling shareholders	4,305.19	2,460.75
Closing balance	**(3,824.42)**	**(4,548.91)**
Share Application money		
Opening balance	-	2,750.00
Add : Addition during the year	25,058.00	8,644.00
Less : Share allotment during the year	(25,058.00)	(11,394.00)
Closing balance	**-**	**-**
Equity component of compound financial instrument	246.72	246.72
Total	**(2,641.19)**	**(3,360.74)**

Nature and purpose of reserves

Securities premium reserve

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

13 a) Non-current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans*		
Indian rupee loans from bank	69,945.87	34,679.30
Less : Current maturities of long term borrowings	(1,470.91)	(529.88)
(Included in current borrowings)	**68,474.96**	**34,149.42**
Unsecured loans		
From holding Company	577.00	-
	577.00	**-**
Total	**69,051.96**	**34,149.42**

*After considering unamortised transaction cost of Rs. 525.53 lakhs as at March 31, 2024 (Rs 401.06 lakhs as at March 31, 2023)

Details	Maturity Date	Terms of Payment	Interest Rate	March 31, 2024	March 31, 2023
Loan from Holding Company	Various	Repayable within 3 years from the disbursement	8.60% - 8.80 %	577.00	-

Loan from Banks

(a) First Energy TN 1 Private Limited

Indian rupee loans of Rs 5,258.96 lakhs (Previous year Rs 5,418.36 lakhs) from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the project (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the First Energy TN 1 Private Limited held by the Company.

(b) First Energy 2 Private Limited

Indian rupee loans of Rs 2,631.43 lakhs (Previous year Rs.2,692.00 lakhs) from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the project (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the First Energy 2 Private Limited held by the Company.

(c) First Energy 3 Private Limited

Indian rupee loans of Rs 29,322.00 lakhs (Previous year Rs 25,500.00 lakhs) from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the Company (present and future) including but not limited to book debts, operating cash flows, intangible assets including goodwill and uncalled capital, intellectual property, both present and future, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the First Energy 3 Private Limited held by the Company.

(d) Jalansar Wind Energy Private Limited

Indian rupee loans of Rs 562.37 lakhs (Previous year Rs 590.00 lakhs) from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the project (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the Jalansar Wind Energy Private Limited held by the Company.

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

(e) Kanakal Wind Energy Private Limited

Indian rupee loans of Rs 843.91 lakhs(Previous year Rs.880.00 lakhs) from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the project (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the Kanakal Wind Energy Private Limited held by the Company.

(f) First Energy 4 Private Limited

Indian rupee loans of Rs 20,200.00 lakhs from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the Company (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the First Energy 4 Private Limited held by the Company.

(g) First Energy 6 Private Limited

Indian rupee loans of Rs 11,652.73 lakhs from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the Company (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the First Energy 6 Private Limited held by the Company.

Terms and conditions of term loans from banks

All the term loans from banks are repayable on quarterly basis in 76-79 quarterly installments bearing interest rates ranging from 9.00% - 9.40% (March 2023 - 8.50% - 9.35%).

During the year, the Group has used all the borrowings for the specific purpose for which they have been obtained.

As at March 31, 2024, the Group has not complied with some of the covenants under loan agreements in respect of non current borrowings of Rs. 4,037.34 lakhs . The Group has received confirmation from the Bank that the said borrowing will not be recalled as consequence of such breaches.

13(b) Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans		
Current maturities of long term borrowings	1,470.91	529.88
Unsecured loans		
Loan from holding Company	18,375.10	17,311.62
Buyer's Line of Credit from Bank*	-	7,927.88
From Others	-	26.23
Total	**19,846.01**	**25,795.61**

*Loan has been against the credit facilities sanctioned to holding company.

Details	Maturity date	Terms of payment	nterest rate	March 31, 2024	March 31, 2023
Loan from Holding Company	Various	Repayable within 180 days from the disbursement	8.15% (March 2023 - 8.00% - 8.45%)	17,963.48	16,900.00
Loan from Holding Company	On Demand	On Demand	0%	411.62	411.62
Buyer's Line of Credit from Bank	Various	Repayable within 90 days from date of shipment	8.00% to 8.20%	-	7,927.88
Others	On Demand	On Demand	0%	-	26.23

Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	2,830.25	12,339.77
Other bank balances	498.40	0.94
Current and Non-current Borrowings	(88,897.97)	(59,945.03)
Interest accrued	(624.12)	(293.50)
Lease liabilities	(1,211.89)	(1,005.19)
Net debt	**(87,405.33)**	**(48,903.01)**

Patriculars	Other assets		Liabilities from financing activities		Total
	Cash & cash equivalents	Other Bank Balance	Borrowings	Lease Liability	
Net debt as at March 31, 2022	**3,928.32**	**0.89**	**(411.62)**	**(446.32)**	**3,071.27**
Addition to lease	-	-	-	(726.66)	(726.66)
Cash flows	8,411.45	0.05	(59,507.18)	167.79	(50,927.89)
Interest Expenses (including interest capitalised)	-	-	(1,343.60)	(57.69)	(1,401.29)
Interest Paid	-	-	1,050.10	57.69	1,107.79
Others	-	-	(26.23)	-	(26.23)
Net debt as at March 31, 2023	**12,339.77**	**0.94**	**(60,238.53)**	**(1,005.19)**	**(48,903.01)**
Addition to lease	-	-	-	(254.65)	(254.65)
Cash flows	(9,509.52)	497.46	(28,952.94)	47.95	(37,917.05)
Interest Expenses (including interest capitalised)	-	-	(6,387.21)	(88.16)	(6,475.37)
Interest Paid	-	-	6,056.59	88.16	6,144.75
Net debt as at March 31, 2024	**2,830.25**	**498.40**	**(89,522.09)**	**(1,211.89)**	**(87,405.33)**

14(a) Other non-current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Redemption liability (refer note 2.3 e.)	3,023.67	1,198.42
Trade deposits	23.29	20.13
Total	**3,046.96**	**1,218.55**

14(b) Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Purchase of Property, plant and equipment and intangible asset	1,825.17	2,704.74
Employee related payables	189.46	89.80
Interest accrued but not due on loans	624.12	293.50
Other payables	(0.06)	-
Total	**2,638.75**	**3,088.04**

15(a) Non-current provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (Refer note 31)	77.41	45.72
Other long-term employee benefits (Refer note 31)	754.70	427.84
Total	**832.11**	**473.56**

15(b) Current provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (Refer note 31)	10.10	3.22
Provision for compensated absence (Refer note 31)	95.46	39.58
Other provisions		
Provision for onerous contract	3.00	3.00
Total	**108.56**	**45.80**

16 Deferred tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
Losses available for offsetting against future taxable income	5,111.52	84.85
Employee benefit expenses	28.74	-
Lease Liabilities	250.30	311.43
Others	97.23	0.33
	5,487.79	**396.61**
Deferred tax liability		
Depreciation on Property, plant and equipment and intangible assets	5,165.45	86.08
Right-of-use assets	347.83	311.43
Others	4.06	-
	5,517.34	**397.51**
Total	**29.55**	**0.90**

Movement in Deferred tax assets

Recognised in the Statement of profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Losses available for offsetting against future taxable income	5,026.67	84.85
Employee benefit expenses	28.74	-
Lease Liabilities	(61.13)	311.43
Depreciation on Property, plant and equipment and intangible assets	(5,079.37)	(86.08)
Right-of-use assets	(36.40)	(311.43)
Others	92.84	(42.14)
Deferred tax expense recognised in the Statement of profit and loss - (Charge)/Credit	**(28.65)**	**(43.37)**

The Group has tax losses, unabsorbed depreciation and other items of Rs. 12,082.00 lakhs (March 31, 2023: Rs. 5,620.82 lakhs) that are available for offsetting for future taxable profits. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits in the Group and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs. 2,615.09 lakhs (March 31, 2023: Rs. 1,356.05 lakhs).

Patriculars	Expiry date (Year ending March 31)	As at March 31, 2024		As at March 31, 2023	
		As of March 31, 2024	As of March 31, 2023 Tax impact	As of March 31, 2024	As of March 31, 2023 Tax impact
Tax losses	2024	361.42	90.96	361.42	90.97
	2025	398.48	100.29	398.48	100.30
	2027	152.42	38.36	152.42	38.36
	2030	209.12	52.63	209.12	52.64
	2031	1,165.67	291.62	1,242.87	300.59
	2032	1,244.63	313.25	-	-
Total Tax Losses		**3,531.74**	**887.11**	**2,364.31**	**582.86**
Unabsorbed depreciation	No expiry period	7,537.61	1,506.98	2,357.99	580.91
Employee benefit expenses	No expiry period	202.65	51.01	88.52	22.28
Capital Loss	2030	810.00	170.00	810.00	170.00
Total		**12,082.00**	**2,615.09**	**5,620.82**	**1,356.05**

17(a) Other non-current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Contract liabilities		
Unearned revenue	77.82	33.47
Total	**77.82**	**33.47**

17(b) Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Contract liabilities		
Advance from customers	312.99	374.48
Unearned revenue	479.97	18.51
Others		
Advance from insurance company (Refer note 39)	677.67	-
Statutory dues	174.61	624.08
Others	49.33	-
Total	**1,694.57**	**1,017.07**

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

18 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables: micro and small enterprises	83.86	91.17
Due to other than micro and small enterprises		
Trade payables to related parties (see note 33)	428.76	175.42
Trade payables: others	855.52	103.66
Total	**1,368.14**	**279.08**

Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount dues to micro and small enterprises*	83.86	91.17
- Interest due thereon	0.38	-
The amount of interest paid by the Group 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	-	-
The amount of payment made to the supplier beyond the appointed day during the year	103.85	-
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	1.95	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	2.33	-
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	2.33	-

*Amount due to Micro and Small enterprises are disclosed on the basis of information available with the Group regarding status of the suppliers as Micro and Small enterprises.

The ageing of current trade payables which are due for payment :

Particulars	Not Due	Unbilled	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	
As at March 31, 2024							
(i) Micro and small enterprises	12.62	69.14	1.92	0.18	-	-	**83.86**
(ii) Others	579.10	377.33	161.30	166.55	-	-	**1,284.28**
(iii) Disputed dues- Micro and small enterprises	-	-	-	-	-	-	**-**
(iii) Disputed dues- Others	-	-	-	-	-	-	**-**
	591.72	**446.47**	**163.22**	**166.73**	**-**	**-**	**1,368.14**

Particulars	Not Due	Unbilled	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	
As at March 31, 2023							
(i) Micro and small enterprises	88.64	2.53	-	-	-	-	**91.17**
(ii) Others	22.41	57.70	198.97	-	-	-	**279.08**
(iii) Disputed dues- Micro and small enterprises	-	-	-	-	-	-	**-**
(iii) Disputed dues- Others	-	-	-	-	-	-	**-**
	111.05	**60.23**	**198.97**	**-**	**-**	**-**	**370.25**

19(a) Non-current lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities (Refer note 30)	1,043.41	893.01
Total	**1,043.41**	**893.01**

19(b) Current lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities (Refer note 30)	168.48	112.18
Total	**168.48**	**112.18**

20 Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers		
Revenue from projects	2,995.68	1,509.08
Revenue from power supply	5,353.34	251.37
Revenue from services	35.84	35.01
Total	**8,384.86**	**1,795.46**
Other operating revenue		
Interest income from finance lease	51.83	-
Sale of scrap	-	4.68
Exchange fluctuation gain (net)	0.95	2.53
Miscellaneous receipts	85.15	-
Total	137.93	7.21
Revenue from operations (net)	**8,522.79**	**1,802.67**

Disclosure pursuant to IND AS 115: Revenue from contracts with customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) Revenue by category of contracts:		
Over a period of time basis	8,385.81	1,797.99
At a point-in-time basis	-	4.68
Total revenue from contracts with customers	**8,385.81**	**1,802.67**
ii) Revenue by geographical market:		
Within India	7,234.38	1,682.57
Outside India	1,151.43	120.10
Total revenue from contracts with customers	**8,385.81**	**1,802.67**

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

iii) Contract balances

The following table provides information about contract balances from contracts with customers as at the reporting date:

Particulars	As at March 31, 2023	As at March 31, 2022
Unbilled revenue (Refer note 7 (b)) - Contract assets	105.72	500.49
Advance from customers (Refer Note 17 (b)) - Contract liabilties	312.99	374.48
Unearned revenue (Refer Note 17 (a) and (b)) - Contract liabilties	557.79	51.98

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. 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 Group's cash positions on specific projects.

Contract assets have increased due to increase in revenue during the current year. Contract liabilities have increased as the group has done more billing for the future products and services to be provided.

iv) Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Unearned revenue	7.47	-
Advance from customers	374.48	1,533.20

(v) Remaining performance obligations:

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 or where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed till date.

vii) Reconciliation between revenue recognised in Statement of profit and loss and contract price

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Contract price	8,458.60	1,798.14
Adjustments for:		
Customer Claims	(80.26)	-
Significant Financing Component	7.47	4.53
Total Revenue as per Contracted Price	**8,385.81**	**1,802.67**

21 Other income

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Net gain on current investments designated at fair value through profit or loss (FVPL)	42.15	3.48
Insurance claim receivable (Refer note 39)	340.80	-
Interest Income on bank deposits	62.35	107.36
Interest on Income Tax refund	0.43	-
Miscellaneous income	141.51	19.13
Total	**587.24**	**129.97**

22 Cost of raw materials consumed

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Inventories at the beginning of the year	-	-
Add: Purchases	2,716.61	1,127.78
Inventories at the end of the year	-	-
Total	**2,716.61**	**1,127.78**

23 Employee benefits expense

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries, wages and bonus	961.59	1,364.38
Contribution to provident fund (Refer note 31)	91.95	64.73
Gratuity expense (Refer note 31)	30.60	39.81
Staff welfare expenses	43.61	21.79
Expensed revecoverd from group company	(928.63)	-
Total	**1,127.75**	**1,490.71**

24 Finance costs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest expense on financial liabilities measured at amortised cost	4,107.98	187.72
Lease liabilities	88.16	21.59
Finance costs on redemption liability	155.56	43.27
Other finance costs	2.16	93.81
Total	**4,353.86**	**346.39**

25 Depreciation and amortization expense

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Depreciation of property, plant and equipment	2,384.58	98.19
Depreciation of right-of-use assets	69.11	56.12
Amortization of intangible assets	18.77	9.74
Total	**2,472.46**	**164.05**

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

26 Other expenses

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Power and fuel	22.80	9.67
Site expenses and contract labour charges	85.27	182.34
Operation and maintenance charges	239.21	14.74
Freight and forwarding (net)	3.64	-
Advertisement and sales promotion	18.60	12.91
Sales Commission	44.01	-
Rent	0.45	-
Rates and taxes	45.23	170.85
Insurance	119.02	23.77
Repairs and maintenance		
- Buildings	2.07	0.28
- Others (refer note 39)	436.65	81.69
Travelling and conveyance	114.48	38.50
Communication expenses	9.14	4.91
Printing and stationery	1.76	1.35
Legal and professional fees	300.63	142.89
Recruitment Expenses	22.33	16.05
Director sitting fees	6.73	3.75
Bank charges	3.99	-
Miscellaneous expenses	237.93	146.48
Total	**1,713.94**	**850.18**

None of the Companies in the Group meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current and previous year.

27 Tax expenses

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Current tax	0.67	-
Deferred tax	28.65	43.37
Total	**29.32**	**43.37**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Loss before tax	(3,274.59)	(2,046.47)
Indian statutory income tax rate	25.17%	25.17%
Expected tax expense	(824.21)	(515.10)
Deferred tax assets not recognised on losses and depreciation	794.89	515.10
Previously recognised deferred tax assets written off	-	42.47
Set off against tax losses on which deferred tax assets not recognised	-	0.90
Total tax expense	**(29.32)**	**43.37**

28 Loss per share

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Loss attributable to the Equity shareholders of the Company	(3,303.91)	(2,089.84)
Weighted average number of Equity shares of ₹ 10/- each	267,365,081	104,302,584
Basic Loss per share	(1.24)	(2.00)
Diluted Loss per share	(1.24)	(2.00)

29 Contingent liabilities and commitments

Contingent liabilities

A) Others

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the Group not acknowledged as debt*	305.00	265.00

*Claims against the Group not acknowledged as debt on account of ongoing arbitration/ legal dispute. Based on the legal opinion on the matter/management's assessments of the facts of the case, no provision is required to be made for the matter. Pending resolution of the matter, it is not practicable to estimate the timing of cash outflows, if any.

This also included contingent provision of Rs. 40 lakhs on liquidated damages.

B) Capital and other commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs.59,164.30 lakhs (March 31, 2023 Rs. 37,046.28 lakhs).

30 Leasing Arrangements

i) Where the Group is lessor

a) Amounts receivable under Finance lease -

The Group has entered into certain arrangements with its customers where the Group will supply electricity by installing solar power generating system 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.

Particulars	Gross Investment in lease		Present value of minimum lease payments	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Within one year	66.51	66.51	59.04	59.04
After one year but not more than five years	212.42	248.18	124.48	136.12
More than five years	266.54	297.30	62.90	65.94
	545.47	**611.99**	**246.42**	**261.10**
Less: Unearned finance income	299.05	350.89	-	-
Present value of minimum lease payments receivable	246.42	261.10	246.42	261.10
Allowance for uncollectible lease payments	-	-	-	-

Particulars	March 31, 2024	March 31, 2023
Current portion of finance lease receivables	59.04	59.04
Non-current portion of finance lease receivables	187.38	202.06

Particulars	March 31, 2024	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	16.38% - 28.19%	16.38% - 28.19%

(b) Operating Lease

The Group has leased a solar power generating system for selling of power generated through the system. The Group has determined, that fulfilment of this arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use this specific asset. Accordingly, this arrangement qualifies as an arrangement in the form of lease as specified in Ind-AS 116. Lease rentals are recognised in the statement of profit and loss for the year as miscellaneous receipts in other operating revenue. The tenure of lease agreement is 15 years.

	March 31, 2024	March 31, 2023
Lease received for the year	85.15	-

Particulars	March 31, 2024	March 31, 2023
Future minimum lease rental receivables under non-cancellable operating leases are as follows:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-

ii) Group as lessee

The Group has taken office building and lands on leases for a tenure of 5 to 29 years, and has extension option for office building as per mutual consent. There are no variable lease payments and residual value guarantees for these leases.

Extension and termination options are included in a number of leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations.

Carrying amounts of lease liabilities and the movements during the year:

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
At the beginning of the year	1,005.19	446.32
Additions	254.65	726.66
Accretion of interest	88.16	57.69
Payments made	(136.11)	(225.48)
As at end of the year	**1,211.89**	**1,005.19**
Current portion of lease liabilities	168.48	112.18
Non-current portion of lease liabilities	1,043.41	893.01
Total	**1,211.89**	**1,005.19**

Details of amounts recognised in statement of profit and loss

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation expense of right-of-use assets	69.11	56.12
Interest expense on lease liabilities	88.16	21.59
Expense relating to leases of low-value assets (included in other expenses)	0.45	-
Total amount recognised in statement of profit or loss	**157.72**	**77.71**

31 Gratuity

A) Defined contribution plans

The group also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 91.95 lakhs (31 March 2023 – Rs 64.73 lakhs).

B) Defined benefit plans and other long term plans

i) Compensated absences

The Compensated Absences cover the group's liability for earned leave which are classified as other long-term benefits.

The entire amount of the provision of Rs.95.46 lakhs (31 March 2023 – Rs. 39.58 lakhs) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	March 31, 2024	March 31, 2023
Leave obligations not expected to be settled within the next 12 months	80.36	32.06

ii) Gratuity

The Group operates a defined benefit plan viz. gratuity for its employees as per the Payment of Gratuity Act, 1972. Every employee who has completed at least specified years of service is eligible for gratuity on departure at 15 days (minimum) of the last drawn salary for each completed year of service. The Group has not funded the liability as on March 31, 2024.

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

I Change in the net benefit obligation is as follows :

Particulars	Amount
April 1, 2022	**20.69**
Current service cost	33.11
Transfer In	4.49
Interest expense/(income)	2.21
Total amount recognised in Profit or Loss	**39.81**
Experience adjustments	(8.28)
Actuarial loss from change in financial assumptions	3.53
Total amount recognised in Other Comprehensive (Income)/Loss	**(4.75)**
Benefits paid	(6.81)
March 31, 2023	**48.94**
Current service cost	26.36
Transfer In	0.94
Interest expense/(income)	3.30
Total amount recognised in Profit or Loss	**30.60**
Experience adjustments	10.25
Actuarial gain from change in financial assumptions	6.74
Demographic adjustments	0.99
Total amount recognised in Other Comprehensive (Income)/Loss	**17.98**
Benefits paid	(10.01)
March 31, 2024	**87.51**

II Significant assumptions

The significant actuarial assumptions were as follows :

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.20%	7.40%
Salary growth rate	10.00%	9.00%
Normal retirement age	60	60
Mortality table	IALM(2012-14) Ultimate	IALM(2012-14) Ultimate
Employee turnover	10.00%	12.00%

III Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	March 31, 2024	March 31, 2023
Discount rate		
1.00% increase	Decrease by 6.38	Decrease by 3.11
1.00% decrease	Increase by 7.25	Increase by 3.49
Future salary increase		
1.00% increase	Increase by 6.14	Increase by 2.93
1.00% decrease	Decrease by 5.53	Decrease by 2.67
Attrition rate		
1.00% increase	Decrease by 1.01	Decrease by 0.27
1.00% decrease	Increase by 1.13	Increase by 0.30

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.

IV The following are the expected cash flows/contribution to the defined benefit plan in future years:

Particulars	March 31, 2024	March 31, 2023
Within next 12 months	10.10	3.23
Between 2-5 years	27.99	22.15
Next 5 years	212.02	120.73

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.14 years (March 31, 2023: 10 years)

iii) Other long-term employee benefits

Group offers cash bonuses to certain managerial employees the amount of which is based on performance of the group in a specific year. The amount of provision recognised for the long term employee benefit is Rs. 754.70 lakhs (March 31, 2023: Rs. 427.84 lakhs).

32 Interest in 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	
			March 31, 2024	March 31, 2023
1	First Energy TN 1 Private Limited (incorporated on January 29, 2022)*	India	100.00%	100.00%
2	First Energy 2 Private Limited (incorporated on March 30, 2022)*	India	100.00%	100.00%
3	First Energy 3 Private Limited (incorporated on May 05, 2022)*	India	100.00%	100.00%
4	First Energy 4 Private Limited (incorporated on December 07, 2022)*	India	100.00%	100.00%
5	First Energy 5 Private Limited (incorporated on December 13, 2022)*	India	100.00%	100.00%
6	First Energy 6 Private Limited (incorporated on March 23, 2023)*	India	100.00%	100.00%
7	First Energy 7 Private Limited (incorporated on March 26, 2023)**	India	100.00%	100.00%
8	First Energy 8 Private Limited (incorporated on August 10, 2024)	India	100.00%	Not applicable
9	First Energy Nine Private Limited (incorporated on February 1, 2024)	India	100.00%	Not applicable
10	First Energy 10 Private Limited (incorporated on March 26, 2023)	India	100.00%	Not applicable
11	Jalansar Wind Energy Private Limited (w.e.f June 22, 2022)*	India	100.00%	100.00%
12	Kanakal Wind Energy Private Limited (w.e.f June 22, 2022)*	India	100.00%	100.00%

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

*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 (refer note 2.3 e).

**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 (refer note 2.3 e).

33 Related party disclosures

A Parent entity

The group is controlled by the following entities:

Holding Company: Thermax Limited

Ultimate Holding Company: RDA Holdings Private Limited

B Key Management Personnel:

1 Mr. Ashish Bhandari - Director
2 Mr. Rajendran Arunachalam - Director
3 Mr. Hemant Mohagaonkar - Director
4 Mr. Navjit Gill - Chief Executive Officer (till September 9, 2022)
5 Mr. Ravi Damaraju - Chief Executive Officer (w.e.f. November 8, 2022)
6 Mr. Mitish Somani - Chief Financial Officer (w.e.f. February 7, 2022 to April 5, 2024)
7 Mr. Sumit Rathi - Chief Financial Officer (w.e.f. May 6 ,2024)
8 Ms. Meher Pheroz Pudumjee - Director (w.e.f. September 30,2023)
9 Ms. Sampada Sakhare - Company Secretary

C Related parties with whom there have been transactions during the year

i) Companies under common control :

Thermax Onsite Energy Solutions Limited

D Others - Entity over which control is exercised by KMP of the parent entity

Elgi Equipments Limited

E Transactions and closing balances with related parties

	Holding Company		Others		Companies under common control		Key Management Personnel		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Transactions during the year										
Shares subscribed	25,058.00	11,394.00	-	-	-	-	-	-	**25,058.00**	**11,394.00**
Sales of products and services	148.44	95.41	217.75	50.05	0.33	67.43	-	-	**366.52**	**212.89**
Reimbursement of expenses received	9.30	16.28	-	-	6.98		-	-	**16.28**	**16.28**
Operation and maintenance charges	41.15	10.32	-	-	-	-	-	-	**41.15**	**10.32**
Interest Expense on intercorporate loan	1,598.27	642.48	-	-	-	-	-	-	**1,598.27**	**642.48**
Sales commission paid	43.81	-	-	-	-	-	-	-	**43.81**	**-**
Reimbursement of expenses paid	164.06	137.82	-	-	2.07	-	-	-	**166.13**	**137.82**
Loan Taken	55,202.00	34,100.00	-	-	-	-	-	-	**55,202.00**	**34,100.00**
Loan Repaid	53,555.00	17,200.00	-	-	-	-	-	-	**53,555.00**	**17,200.00**
Asset Acquisition of Fixed Assets and Leases	-	-	-	-	-	782.90	-	-	**-**	**782.90**
Remuneration to key management personnel*	-	-	-	-	-	-	505.03	792.97	**505.03**	**792.97**

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

	Holding Company		Subsidiaries		Entities Controlled by Holding Company		Key Management Personnel and Individuals mentioned in E		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Outstanding balances as at the year end										
Trade receivable	19.79	90.02	21.41	19.13	-	2.40	-	-	**41.20**	**111.55**
Trade payables	426.31	175.42	-	-	2.45	-	-	-	**428.76**	**175.42**
Capital Creditor	-	-	-	-	-	898.10	-	-	**-**	**898.10**
Advance Given	11.26	5.81	-	-	-	-	-	-	**11.26**	**5.81**
Advance Taken	1.61	4.79	-	-	2.25				**3.86**	**4.79**
Loan Taken	18,952.10	17,311.62	-	-	-	-	-	-	**18,952.10**	**17,311.62**
Interest Accrued	363.22	189.23	-	-	-	-	-	-	**363.22**	**189.23**
Salary Payable	-	-	-	-	-	-	5.53	16.19	**5.53**	**16.19**
Provision for long term incentive*	-	-	-	-	-	-	444.41	309.54	**444.41**	**309.54**

* Does not include gratuity and leave encashment since the same is calculated for all employee of the company as a whole.

Terms and conditions for outstanding balances

1 All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings and loans, refer note 13 .

2 All transactions with related parties are assessed to be at arm's length by the management.

3 Key Management Personnel Compensation

Particulars	As at March 31, 2024	As at March 31, 2023
Short term employment benefits	248.62	443.67
Long-term employee benefits	207.00	309.54

34 Segment reporting

The Group is in business of providing green energy solutions to its customer which can be categorized in two verticles namely CAPEX Business and OPEX Business wherein CAPEX Business means providing behind the meter solutions like supply of solar power generating systems, sale of power generated through finance leased and related services and OPEX Business means power generation through open access solutions and related services. The Chief Operating Decision Maker (CODM) evaluates the Groups's performance and applies the resources to Groups's business has determined the operating segments based on the reports reviewed by the Board of Directors; that are used to make strategic decisions, allocation of resources and assessing the performance of the segments. The CODM evaluates the segments based on their revenue and operating results.

The CODM evaluates performance based on the revenues and operating profit for the two segments- CAPEX and OPEX. The composition of these segments is given below:

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.

I Information about Business Segments:

Sr. No.	Particulars	March 31, 2024	March 31, 2023
i	**Segment revenue**		
	a. OPEX	5,353.34	251.37
	b. CAPEX	3,169.45	1,551.30
	Income from operations	**8,522.79**	**1,802.67**
ii	**Depreciation and amortization**		
	a. OPEX	2,368.12	52.42
	b. CAPEX	104.34	111.63
		2,472.46	**164.05**
iii	**Segment results and reconciliations with loss before tax**		
	Profit before tax and interest from each segment		
	a. OPEX	(3,773.03)	(480.94)
	b. CAPEX	393.94	(1,606.28)
	Total	**(3,379.09)**	**(2,087.22)**
	Less : i) Finance cost	-	(70.09)
	ii) Other unallocable expenditure net of unallocable (income)	104.50	110.84
	Total loss before tax	**(3,274.59)**	**(2,046.47)**
iv	**Segment Assets**		
	a. OPEX	129,778.36	64,415.42
	b. CAPEX	2,040.52	2,242.96
	d. Unallocated	5,844.89	12,519.38
	Total Assets	**137,663.77**	**79,177.76**
v	**Segment Liabilities**		
	a. OPEX	79,205.44	46,787.28
	b. CAPEX	1,356.03	3,097.99
	d. Unallocated	19,344.88	17,312.54
	Total Liabilities	**99,906.35**	**67,197.81**

Reconciliation of assets

Particulars	As at March 31, 2024	As at March 31, 2023
Segment operating assets	131,818.88	66,658.38
Investments	2,124.96	37.84
Cash and bank balances	3,328.64	12,340.71
Income tax assets	232.90	65.83
Other unallocated assets (includes bank deposit having maturity more than 12 months)	158.39	75.00
Total assets	**137,663.77**	**79,177.76**

Reconciliation of liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Segment operating liabilities	80,561.47	49,885.27
Unallocated borrowings	18,952.10	17,311.62
Deferred tax liabilities	29.55	0.90
Other unallocable liabilities (inculdes interest due on unallocated borrowing)	363.23	0.02
Total liabilities	**99,906.35**	**67,197.81**

II Information about geographic segment

Revenue from external customers

Particulars	As at March 31, 2024	As at March 31, 2023
India	7,234.38	1,682.57
Outside India	1,151.43	120.10
Total	**8,385.81**	**1,802.67**

Revenue from one top customer amounted to Rs. 1,117.34 (March 31, 2023: Rs. 571.09 lacs) arising from Capex business & other top one customer Rs. 1,592.81 arising from the Opex Business.

Non-current asset

Particulars	As at March 31, 2024	As at March 31, 2023
India	128,308.98	64,837.81
Outside India	-	-
Total	**128,308.98**	**64,837.81**

35 Assets Pledge as Security

Particulars	March 31, 2024	March 31, 2023
Current		
Financial Assets		
First Charge		
Cash and cash equivalents	965.73	9,881.63
Trade receivables	2,022.59	105.90
Other current assets	3,526.90	153.13
Non-financial assets		
First charge		
Other current assets	83.39	26.62
Total current assets pledged as security	**6,598.61**	**10,167.28**
Non-current		
Financial assets		
First charge		
Other assets	182.51	82.12
Non-financial assets		
First charge		
Property, plant and equipment	76,806.76	9,638.99
Capital work-in-progress - Plant and machinery	16,488.20	38,126.56
Right of use asset - Leasehold Land	1,256.66	1,291.98
Other assets	427.74	1.88
Total non-currents assets pledged as security	**95,161.87**	**49,141.53**
Total assets pledged as security	**101,760.48**	**59,308.81**

36 Asset acquisitions

A Details of asset acquisitions

i) Jalansar Wind Energy Private Limited

On June 22, 2022, the Company signed a Share Purchase Agreement (SPA) with Sarjan Realities Private Limited, (the Sellers) for acquisition of 100% of Shares of Jalansar Wind Energy Private Limited ("JWEPL"). JWEPL is engaged in the business of Generation of Electricity using Renewable Energy. On completion of the conditions precedent to SPA, JWEPL has become subsidiary of the Company w.e.f. July 6, 2022.

ii) Kanakal Wind Energy Private Limited

On June 22, 2022, the Company signed a Share Purchase Agreement (SPA) with Sarjan Realities Private Limited, (the Sellers) for acquisition of 100% of Shares of Kanakal Wind Energy Private Limited ("KWEPL"). KWEPL is engaged in the business of Generation of Electricity using Renewable Energy. On completion of the conditions precedent to SPA, KWEPL has become subsidiary of the Company w.e.f. July 6, 2022.

B Consideration Transferred

Particulars	JWEPL	KWEPL
Consideration paid in cash for purchase of Equity shares	1.00	1.00

C Net amount of Assets and Liabilities

Particulars	JWEPL	KWEPL
Assets	**-**	**-**
Intangible Asset	3.94	4.62
Other current financial assets	0.10	0.10
Total Assets Acquired	**4.04**	**4.72**
Liabilities		
Tax payable	3.04	3.72
Total Liabilities Assumed	**3.04**	**3.72**
Net Assets Acquired	**1.00**	**1.00**

Notes to the consolidated financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

37 I Fair value measurements

Break-up of financial assets carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	2,022.59	315.58
Finance Lease receivable	246.42	261.10
Other financial assets	1,215.46	574.63
Cash and cash equivalents	2,830.25	12,339.77
Bank balances other than cash and cash equivalents	498.40	0.94
Total	**6,813.12**	**13,492.02**
Current assets	6,395.57	12,901.93
Non-current assets	417.55	590.09
Total	**6,813.12**	**13,492.02**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at fair value through profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Investments		
Mutual funds	2,124.96	37.84
Total financial assets (Current)	**2,124.96**	**37.84**

Fair value of market linked mutual funds is determined using Net Asset Value (NAV) report issued by mutual fund house.

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	88,897.97	59,945.03
Lease Liabilities	1,211.89	1,005.19
Trade payables	1,368.13	370.18
Other financial liabilities	5,685.71	4,306.59
Total	**97,163.70**	**65,626.99**
Current liabilities	24,021.37	29,366.01
Non current liabilities	73,142.33	36,260.98
Total	**97,163.70**	**65,626.99**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

II Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets:

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				
Mutual funds	March 31, 2024	-	2,124.96	-

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				
Mutual funds	March 31, 2023	-	37.84	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

38 Financial risk management

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that are derived directly from its operations. The Group also holds investments measured at fair value through profit and loss.

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 operations. The Group 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 Group reviews and agrees policies for managing each of these risks which are summarised below:

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk. The management of the Group has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value

The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

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's exposure to the risk of changes in interest rate primarily relates to the Group's debt obligations with floating interest rates.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings	69,945.87	34,679.30

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

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable interest rate. With all the other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

Impact on loss after tax	As at March 31, 2024	As at March 31, 2023
Interest rates - increase by 50 basis points	(209.81)	(9.15)
Interest rates - decrease by 50 basis points	209.81	9.04

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. The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD.

Foreign exchange risk is managed on the basis of limits determined by management and a continuous assessment of current and expected exchange rate movements. 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 placing limits on individual and total equity/ mutual fund instruments. Reports on the investment portfolio are submitted to the management on a regular basis. 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 receivable and contract assets) and from its investing activities, including deposits with banks and other financial instruments.

Trade receivables and contract assets

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters. 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 adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. There is no charge of impairment to Statement of profit and loss.

Expected credit loss for trade receivables and contract assets under simplified approach

Trade receivables	As at March 31, 2024		
	Gross	Expected loss rate	Expected loss allowance
Unbilled	1,017.55	0%	-
Outstanding for following periods from the due date			
Not due	481.54	0%	-
Less than 6 months	453.78	0%	-
6 months- 1 year	69.72	0%	-
Total	**2,022.59**	**0%**	**-**

Trade receivables	As at March 31, 2023		
	Gross	Expected loss rate	Expected loss allowance
Unbilled	78.30	0%	-
Outstanding for following periods from the due date			
Not due	144.46	0%	-
Less than 6 months	92.82	0%	-
Total	**315.58**	**0%**	**-**

Expected credit loss for contract assets under simplified approach

Contract assets	As at March 31, 2024		
	Gross	Expected loss rate	Expected loss allowance
Not due	394.77	0%	-
Less than 6 months	-	0%	-
6 months - 1 year	-	0%	-
Total	394.77	0%	-
Total	**2,022.59**	**0%**	**-**

Contract assets	As at March 31, 2023		
	Gross	Expected loss rate	Expected loss allowance
Not due	480.13	0%	-
Less than 6 months	-	0%	-
6 months - 1 year	20.13	0%	-
Total	**500.26**	**0%**	**-**

Balances with Banks

Credit risk from balances with banks is managed by the Group's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Investments of surplus funds are made only with approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

Other financial assets carried at amortised cost

Group's exposure to other financial asset includes security deposits and lease receivable which is considered to be low risk. No loss allowance is required to be recognised for the same.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Notes to the consolidated financial statements for the year ended March 31, 2024

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

Maturities of financial liabilities

The tables below summarises the company's financial liabilities into relevant maturity profile based on contractual undiscounted payments :

March 31, 2023	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative				
Borrowings	19,846.01	4,369.86	5,826.03	59,381.00
Lease Liabilities	168.48	375.72	167.00	2,443.79
Trade Payables	1,368.13	-	-	-
Other payables	2,638.75	355.00	-	9,235.78

March 31, 2023	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative				
Borrowings	25,795.61	2,215.88	3,140.60	29,193.99
Lease Liabilities	112.18	331.94	213.27	1,859.77
Trade Payables	370.25	-	-	-
Other payables	3,088.04	288.00	13.76	3,334.27

39 The site of First Energy 4 Private Limited was hit by unprecedented torrential rain around mid December resulting in submerging of the project site. For First Energy 4 Private Limited, 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 a 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 INR 1,000 lakhs as on account payment. The expense of INR 339 lakhs pertaining to damage has been accounted for as repairs and maintenance cost in the books of account and the corresponding insurance claim income of INR 323 lakhs has been recognized.

40 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 Group 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 Group 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Group will take appropriate measures to comply with regulations.

The primary accounting software used for maintaining its books of account 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 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.

41 Capital management

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 borrowings, 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.

Particulars	March 31, 2024	March 31, 2023
Borrowings	88,897.97	59,945.03
Lease Liabilities	1,211.89	1,005.19
Less: Cash and cash equivalents (includes other bank balances)	3,328.65	12,340.71
Net (surplus) / debt	**86,781.21**	**48,609.51**
Equity	37,757.45	11,979.90
Net Debt to Equity	2.30	4.06

Loan covenants

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Some of the debt covenants were not complied as at March 2024, refer note 13(a) for details.

42 Other Statutory Information

(i) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iii) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

(iv) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Group had working capital limits of more than Rs. 5 Crores however, the group is not required to file quarterly returns or statement of current assets with the banks.

(vi) None of the Companies in the group have been declared willful defaulter by any bank or financial institution or government or government authorities.

(vii) The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(viii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous year.

43 Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entit(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries)

or

ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

i. directly or indirectly lend or invest in other person(s) or entit(ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries)

or

ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Notes to the consolidated financial statements for the year ended March 31, 2024

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

44 Additional Information as per Section 129 of the Companies Act, 2013 – Annexure I.

Annexure I

Additional information required by Schedule III

Disclosure of additional information pertaining to the parent company, and its subsidiaries: For the year ended March 31, 2024

	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								
First Energy Private Limited	89.50%	33,792.81	44.02%	(1,454.47)	100.00%	(17.98)	44.33%	(1,472.45)
Indian subsidiaries								
First Energy TN 1 Private Limited	5.35%	2,018.57	1.79%	(59.16)	0.00%	-	1.78%	(59.16)
First Energy 2 Private Limited	2.77%	1,046.75	1.31%	(43.38)	0.00%	-	1.31%	(43.38)
First Energy 3 Private Limited	23.51%	8,875.35	25.38%	(838.39)	0.00%	-	25.24%	(838.39)
First Energy 4 Private Limited	16.18%	6,110.61	18.96%	(626.32)	0.00%	-	18.85%	(626.32)
First Energy 5 Private Limited	24.76%	9,348.14	0.85%	(28.08)	0.00%	-	0.85%	(28.08)
First Energy 6 Private Limited	11.50%	4,340.77	2.36%	(78.13)	0.00%	-	2.35%	(78.13)
First Energy 7 Private Limited	4.92%	1,857.45	0.10%	(3.31)	0.00%	-	0.10%	(3.31)
First Energy 8 Private Limited	16.92%	6,387.69	0.65%	(21.62)	0.00%	-	0.65%	(21.62)
First Energy Nine Private Limited	0.01%	2.62	0.00%	0.03	0.00%	-	(0.00%)	0.03
First Energy 10 Private Limited			0.00%			-	0.00%	-
Jalansar Wind Energy Private Limited	0.51%	193.76	0.25%	(8.15)	0.00%	-	0.25%	(8.15)
Kanakal Wind Energy Private Limited	0.80%	302.72	0.16%	(5.39)	0.00%	-	0.16%	(5.39)
Consolidation Adjustment	(96.72%)	(36,519.79)	4.16%	(137.54)	0.00%	-	4.14%	(137.54)
Total	**100.00%**	**37,757.45**	**100.00%**	**(3,303.91)**	**100.00%**	**(17.98)**	**100.00%**	**(3,321.89)**

Disclosure of additional information pertaining to the parent company, and its subsidiaries: For the year ended March 31, 2023

	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								
First Energy Private Limited	85.24%	10,212.20	77.92%	(1,628.34)	100.00%	4.75	77.87%	(1,623.59)
Indian subsidiaries								
First Energy TN 1 Private Limited	17.34%	2,077.73	4.65%	(97.20)	0.00%	-	4.66%	(97.20)
First Energy 2 Private Limited	9.10%	1,090.13	2.43%	(50.68)	0.00%	-	2.43%	(50.68)
First Energy 3 Private Limited	81.08%	9,713.74	8.18%	(170.87)	0.00%	-	8.19%	(170.87)
First Energy 4 Private Limited	-0.42%	(50.23)	2.45%	(51.23)	0.00%	-	2.46%	(51.23)
First Energy 5 Private Limited	-1.01%	(121.21)	1.47%	(30.67)	0.00%	-	1.47%	(30.67)
First Energy 6 Private Limited	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
Jalansar Wind Energy Private Limited	1.69%	201.91	0.13%	(2.70)	0.00%	-	0.13%	(2.70)
Kanakal Wind Energy Private Limited	2.57%	308.11	0.19%	(3.98)	0.00%	-	0.19%	(3.98)
Consolidation Adjustment	(95.61%)	(11,453.48)	2.59%	(54.17)	0.00%	-	2.60%	(54.17)
Total	**100.00%**	**11,979.90**	**100.00%**	**(2,089.84)**	**100.00%**	**4.75**	**100.00%**	**(2,085.09)**

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership No. 109846

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy Private Limited

Rajendran Arunachalam
Director
DIN: 08446343

Hemant Mohgaonkar
Director
DIN :01308831

Ravi Damaraju
Chief Executive Officer

Sumit Rathi
Chief Financial Officer

Sampada Sakhare
Company Secretary

Place: Pune
Date : May 6, 2024

THERMAX BIOENERGY SOLUTIONS PRIVATE LIMITED

Board of Directors
Mahesh Channakeshaviah Bukinkere
Rajendran Arunachalam
Kirtiraj Jilkar
Basant Jain
Shekhar Kashalikar (Director upto May 10, 2023)
Hemant Mohgaonkar (Director w.e.f. May 11,2023)

Registered Office
Thermax House,
14, Mumbai – Pune Road, Wakdewadi,
Pune – 411003

Corporate Office
Energy House, D-II Block,
Plot No. 38 & 39
MIDC Chinchwad
Pune - 411 019

Key Managerial Personnel
Deodatta Deshpande (CEO)
Harish Tikotkar (CFO)

Auditors
SRBC & Co. LLP
Chartered Accountants
C-401, Panchshil Tech Park, Yerwada,
Pune- 411006, India

Bankers
HSBC Bank
ICICI Bank Limited

DIRECTORS' REPORT

Dear Shareholder,

The Directors have the pleasure of presenting the Second Annual Report of the Company for the year ended March 31, 2024.

INCORPORATION

Your Company was incorporated on August 12, 2022 and received approval for commencement of Business on September 2, 2022.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023- 24	2022-23
Total income	**26,514.29**	**4,813.37**
(Loss)/Profit before depreciation and interest	**(1,552.03)**	**171.89**
Depreciation	**103.88**	**13.31**
Interest	**56.24**	**1.82**
(Loss)/Profit before tax	**(1,712.15)**	**156.76**
Provision for taxation (incl. deferred tax)	**10.63**	**41.43**
(Loss)/Profit after tax	**(1,722.78)**	**115.33**

State of Company's affairs

In the Financial Year 2023-24, the Company's total income is Rs 26,514.29 lakhs (previous period Rs. 4,813.37 lakhs). Loss before tax is Rs 1,712.15 lakhs (previous period profit Rs. 156.76 lakhs). The order balance of the company as on March 31, 2024 was Rs. 80,987 lakhs (previous period Rs 45,341 lakhs).

The loss for the year was due to cost increases in equipment and construction of Bio-CNG plants to achieve technology stabilization for certain biomass feedstock. With a healthy order balance, the company expects to turn profitable in the forthcoming year. Further, to ensure smooth execution of the projects on hand the company intends to seek financial support from shareholders. Please refer note no. 39 of Financial Statements for more details.

The Company is in the business of setting up BioCNG or renewable natural gas plants on engineering, procurement and construction (EPC) by partnering with technology partners globally.

The Company aspires to be a market leader in this segment and aims to deliver high quality solutions to the potential customers and assist them to get the best financial returns on their investment during lifecycle of the project.

In the last financial year, the company has made successful bids with few of India's leading conglomerates in the first six months itself and has established itself as a partner of choice for their upcoming bio-energy plants.

OPERATIONS

In the year, the company has started commissioning of the projects on varied feedstocks like Pressmud, Cow dung and Rice Straw. The BioCNG generated from these plants has been supplied to the oil marketing companies (OMCs) by the project developer under the Government scheme i.e. Sustainable Alternative Towards Affordable Transportation Scheme.

HEALTH AND SAFETY

The Company will ensure focus and continuous improvement on its Safety and Health standards. It will certify its operations for ISO 45001 OHSAS and ISO 14001 EMS by FY 2024-25.

MATERIAL CHANGES AFFECTNG FINANCIAL POSITION OF THE COMPANY

The financial position is affected as per changes explained above in State of Company's Affairs.

DIVIDEND

The directors do not recommend any dividend on equity shares during the year.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The Company does not propose to carry any amount to reserves.

SHARE CAPITAL

The Company has been incorporated with an authorised share capital of Rs. 1000 Lakhs. The present paid-up share capital of the Company is Rs. 500 Lakh. Thermax Limited and EverEnviro have subscribed to 65% and 35%, respectively of the equity share capital of the Company. The Company is a subsidiary of Thermax Limited.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

PUBLIC DEPOSITS

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company did not give any loan or make an investment pursuant to the provisions of Section 186 of the Companies Act, 2013.

BUSINESS RISK MANAGEMENT

The Company is in process of identifying and classifying its key risks pertaining to the core business and based on that the Company will prepare a broad framework for effective risk identification, review and mitigation. The Company will actively monitor and strengthen its proposed risk management framework in the future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

CORPORATE SOCIAL RESPONSIBILITY

The Company does not fall under the criteria defined under Section 135 of Companies Act, 2013 as on March 31, 2024. Hence, the Corporate Social Responsibility provisions are not attracted.

KEY MANAGERIAL PERSONNEL (KMP)

There have not been any changes in the KMP position for the Financial Year 2023-24.

DIRECTORS

Currently, the Board of the Company comprises five Directors. In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Kirtiraj Jilkar (DIN: 09675574), retires by rotation and being eligible, offers himself for re-appointment. Appointment of Independent Directors is not applicable to the company as on March 31, 2024.

During the year Mr. Shekhar Kashalikar (DIN: 09688441) resigned from the Board effective May 10, 2023 and Mr. Hemant Mohgaonkar (DIN:01308831) was appointed as an Additional Director on May 11, 2023.

BOARD MEETINGS

The Board met four times on May 11, 2023, July 27, 2023, October 25, 2023 and January 30, 2024 during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Details of meetings attended by the members are as follows:

Name	Dates on which Board Meetings Held			
	May 11, 2023	July 27, 2023	October 25, 2023	January 30, 2024
Mr. B. C. Mahesh	P	P	P	P
Mr. Rajendran Arunachalam	P	P	P	P
Mr. Hemant Mohgaonkar	NA	A	P	P
Mr. Kirtiraj Jilkar	A	P	P	A
Mr. Basant Jain	P	P	P	P

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis; and

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL STANDARDS

The Company follows the Secretarial Standards issued by the Institute of Company Secretaries of India on the Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2). The Company is in compliance with these secretarial standards.

RELATED PARTY TRANSACTIONS

All related party transactions (RPTs) that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant transactions entered into by the Company with the related parties which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the Financial Statements.

MAINTENANCE OF COST RECORDS

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.

CONSERVATION OF ENERGY

The Company is in the business of setting up of green Bio-CNG plants for its customers which produce CNG out of agricultural/municipal waste replacing fossil fuel.

TECHNOLOGICAL ABSORPTION

There was no technology acquisition and absorption during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to foreign exchange earnings and outgo, under Section 134(3)(m) of the Companies Act, 2013 is as follows:

	(Rs. in lakhs)
Foreign exchange earnings	Nil (PY Nil)
Foreign exchange outgo	755.02 (PY 133.14)

PARTICULARS OF EMPLOYEES

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide a safe and conducive work environment to its employees. The Company has constituted Prevention of Sexual Harassment (POSH) Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no cases pending at the beginning of the year/ filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

STATUTORY AUDITORS

M/s. SRBC & Co. LLP, Chartered Accountants, were appointed as the statutory auditors of the Company for a period of Four years commencing from the conclusion of 1st Annual General Meeting (AGM) until the conclusion of the 5th Annual General Meeting.

DETAILS REGARDING FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

RESTRICTION ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES

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 exceeding the limit mentioned therein, to persons in the employment of the Company other than its Directors or Key Managerial Personnel, for purchase or subscribe shares 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. During the year there is no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors of
Thermax Bioenergy Solutions Private Limited

	Rajendran Arunachalam	**Basant Kumar Jain**
	Director	Director
Pune, May 02, 2024	DIN: 08446343	DIN: 00220395

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Bioenergy Solutions Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of Thermax Bioenergy Solutions Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 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 loss 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 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 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 financial statements.

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 Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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.

Responsibility of Management for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the 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.

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 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 38 (a) of the 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) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) 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;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) 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;

(h) 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(i)(vi) below on reporting under Rule 11(g);

(i) 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 does not have any pending litigations which would impact its financial position;

   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 18 to the financial statements;

   iii. There were no amounts which were 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, 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 persons or entities, 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 persons or entities, 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. No dividend has been declared or paid during the year by the Company;

   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 39 (b) to the 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 Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLG1173

Place of Signature: Pune, India
Date: May 02, 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 Bioenergy Solutions Private 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) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 37 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks 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 financial statements, the quarterly returns/ statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The Company does not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

iii. (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(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) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ("the Act") are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to 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 Companies 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) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.

vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, profession tax, income-tax, duty of customs, cess and other statutory dues applicable to it. 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. The provisions relating to sales tax, service tax, duty of excise and value added tax are not applicable to the Company.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, customs duty, cess, and other statutory dues which have not been deposited on account of any dispute.

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 did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful 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 (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, 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) 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 Act has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) 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) The provisions of section 177 are not applicable to the Company. Transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Act.

(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 issue of our audit report on these 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 (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 (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) 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 incurred cash losses amounting to Rs. 1,214.39 in the current year and the Company has not incurred any cash losses in the immediately 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 35 to the financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's current liabilities exceeds the current assets by Rs 2126.65, the Company has obtained the letter of financial support from the Shareholder's, nothing has come to our attention, which causes us to believe 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, further state that this is not an assurance as to the future viability of the Company and 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) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

(xxi) The Company does not have any subsidiary, associate or joint venture. Hence, the requirement to report on clause 3(xxi) of the order is not applicable to the company.

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

per Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLG1173

Place of Signature: Pune, India
Date: May 02, 2024

Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Thermax Bioenergy Solutions Private Limited

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

We have audited the internal financial controls with reference to financial statements of Thermax Bioenergy Solutions Private Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the 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 financial statements based on our audit. We conducted our audit in accordance with the Guidance 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 financial statements.

Meaning of Internal Financial Controls With Reference to Financial Statements

A company's internal financial controls with reference to 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to 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 Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLG1173

Place of Signature: Pune, India
Date: May 02, 2024

Balance Sheet as at March 31, 2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	4 (a)	129.45	91.44
Other intangible assets	4 (b)	26.15	23.72
Financial assets:			
(a) Trade receivables	5 (a)	448.62	155.29
Deferred tax assets (net)	7	-	10.63
Income tax assets (net)		482.29	73.49
Total Non-current assets		**1,086.51**	**354.57**
Current assets			
Financial assets:			
(a) Investments	8	1,315.89	-
(b) Trade receivables	5 (b)	8,734.19	1,116.33
(c) Cash and cash equivalents	9	192.14	2,085.65
(d) Loans	10	0.06	0.31
(e) Other financial assets	11	3,065.10	695.64
Other current assets	12	4,075.98	2,951.86
Total current assets		**17,383.36**	**6,849.79**
Total assets		**18,469.87**	**7,204.36**
Equity and liabilities			
Equity			
Equity share capital	13	500.00	500.00
Other equity	14	(1,624.39)	110.06
Total equity		**(1,124.39)**	**610.06**
Non-current liabilities			
Trade Payables	15 (a)	84.25	-
Total non-current liabilities		**84.25**	**-**
Current liabilities			
Financial liabilities			
(a) Trade payables	15 (b)		
- total outstanding dues of micro and small enterprises		3,254.45	949.17
- total outstanding dues of creditors other than micro and small'enterprises		4,824.33	1,277.63
(b) Other financial liabilities	16	120.80	32.18
Other current liabilities	17	10,786.16	4,223.55
Provisions	18	524.27	111.77
Total current liabilities		**19,510.01**	**6,594.30**
Total equity and liabilities		**18,469.87**	**7,204.36**

Summary of material accounting policies 2
Summary of significant accounting judgements, estimates and assumptions 3

The accompanying notes are an integral part of the financial statements.

Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note no	March 31, 2024	From August 12, 2022 to March 31, 2023
Income			
Revenue from operations	19	26,459.53	4,804.14
Other income	20	54.76	9.23
Total Income		**26,514.29**	**4,813.37**
Expenses			
Cost of raw materials and components consumed	21	17,507.63	2,141.29
Employee benefits expense	22	1,498.58	317.88
Finance cost	23	56.24	1.82
Depreciation and amortization expense	24	103.88	13.31
Other expenses	24 (a)	9,060.11	2,182.31
Total expenses		**28,226.44**	**4,656.61**
(Loss) / Profit before tax		**(1,712.15)**	**156.76**
Tax expense			
Current tax	6	-	51.00
Deferred tax	7	10.63	(9.57)
Total tax expense		**10.63**	**41.43**
(Loss)/ Profit for the year		**(1,722.78)**	**115.33**
Other comprehensive income / (loss)			
A. Items that will not be reclassified subsequently to profit or loss	25		
Re-measurement (loss) of defined benefit plan		(17.45)	(4.28)
Less: Income tax effect		-	1.06
		(17.45)	**(3.22)**
Total comprehensive income for the year		**(1,740.23)**	**112.11**
"Earning per equity share [Nominal value Rs. 10 each] Basic and diluted"	26	**(34.46)**	**2.31**

Summary of material accounting policies 2
Summary of significant accounting judgements, estimates and assumptions 3

The accompanying notes are an integral part of the financial statements.

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

per Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLG1173

Place: Pune
Date: May 02, 2024

For and on behalf of the Board of Directors of Thermax Bioenergy Solutions Private Limited
CIN : U40107PN2022PTC213848

Rajendran Arunachalam
Director
DIN: 08446343

Basant Kumar Jain
Director
DIN: 00220395

Deodatta Deshpande
Chief Executive Officer

Harish Tikotkar
Chief Financial Officer

Place: Pune
Date: May 02, 2024

THERMAX BIOENERGY SOLUTIONS PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2024

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

A Equity Share Capital#

		March 31, 2024		March 31, 2023	
Particulars	**Note**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the period	13	5,000,000	500.00	5,000,000	-
Change in equity shares capital during the period	13	-	-	-	500.00
Balance at the end of the period	13	5,000,000	500.00	5,000,000	500.00

B Other Equity#

Particulars	Reserves & Surplus		
	Retained Earnings	Share based payment	Total
Opening balance	-	-	-
Profit for the period	115.33	-	115.33
Other Comprehensive Loss (net) (note 25)	(3.22)	-	(3.22)
Cost of issuing own equity	(2.05)	-	(2.05)
As at March 31, 2023	**110.06**	**-**	**110.06**
Profit for the year	(1,722.78)	-	(1,722.78)
Other Comprehensive Loss (net) (note 25)	(17.45)	-	(17.45)
Share based payment (refer note 34)	-	5.78	5.78
As at March 31, 2024	**(1,630.17)**	**5.78**	**(1,624.39)**

There are no adjustment on account of prior period errors or due to changes in accounting policy

Cash flow statement for the year ended March 31, 2024

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

	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
A)	**Cash flows from operating activities**			
	(Loss)/ Profit before tax		(1,712.15)	156.76
	Adjustments to reconcile profit before tax to net cash flows			
	Depreciation/Amortisation expenses	24	103.88	13.31
	Provision for impairment allowance of financial assets and contract assets	24 (a)	259.20	35.46
	Provision for doubtful advances	24 (a)	106.72	-
	Realised gain on Investments	20	(45.08)	-
	Finance cost	23	56.24	1.82
	Unrealised foreign exchange (gain)/loss		22.18	-
	Share based payment expenses	22	5.78	-
	Interest income from financial assets carried at amortized cost	20	(5.48)	(9.23)
	Operating Profits before working capital changes		**(1,208.71)**	**198.12**
	Adjustment in working capital:			
	(Increase) in trade receivables		(8,170.39)	(1,307.08)
	(Increase) in other financial assets		(2,369.46)	(695.64)
	(Increase) in other current assets		(1,248.29)	(2,956.14)
	Decrease/(Increase) in loans		0.25	(0.31)
	Increase in non current trade payables		84.25	-
	Increase in trade payables		5,798.50	2,224.98
	Increase in other current liabilities		6,541.93	4,185.30
	Increase in other financial liabilities		88.62	32.18
	Increase in provisions		412.50	111.77
			1137.91	**1,595.06**
	Cash generated from operations		**(70.79)**	**1,793.18**
	Income taxes paid		(408.81)	(124.49)
	Net cash flow (used in) from operating activities		**479.60**	**1,668.69**
B)	**Investing activities**			
	Purchase of property, plant and equipment and other intangible assets		(144.32)	(90.22)
	Interest received (financial income)		5.48	9.23
	Purchase of Investments		(5,125.00)	-
	Sale of Investments		3,854.20	-
	Net cash flows (used in) investing activities		**(1,409.64)**	**(80.99)**
C)	**Financing activities**			
	Issue of equity share capital		-	497.95
	Finance cost		(4.27)	-
	Net cash flows (used in) financing activities		**(4.27)**	**497.95**
	Net (decrease)/ increase in cash and cash equivalents (A + B + C)		**(1,893.51)**	**2,085.65**
	Cash and cash equivalents at the beginning of the period		2,085.65	-
	Cash and cash equivalents at the end of the period (Refer note 9)		**192.14**	**2,085.65**

Reconciliation of cash and cash equivalents as per the Cash Flow Statement:

	Note No.	March 31, 2024	March 31, 2023
Cash and cash equivalents	9	192.14	2,085.65
Balances as per cash flow statement		**192.14**	**2,085.65**

As per our report of even date attached

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

per Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLG1173

Place: Pune
Date: May 02, 2024

For and on behalf of the Board of Directors of Thermax Bioenergy Solutions Private Limited
CIN : U40107PN2022PTC213848

Rajendran Arunachalam
Director
DIN: 08446343

Basant Kumar Jain
Director
DIN: 00220395

Deodatta Deshpande
Chief Executive Officer

Harish Tikotkar
Chief Financial Officer

Place: Pune
Date: May 02, 2024

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

1. **Corporate information**

Thermax Bioenergy Solutions Private Limited (the "Company") is a private limited company incorporated under Companies Act, 2013 ('the Act') and is a deemed public company as per the definitions of the Act. The Company undertakes Technology, Engineering, Procurement and Construction ('TEPC') scope for Bio-Compressed Natural Gas (Bio-CNG) projects. The Company's remaining business includes Operation and Maintenance services for such projects. The address of its registered office is S No. 14/D, F P No. 32(33) Wakadewadi, Mumbai-Pune Road, Pune- 411003. The CIN of the Company is U40107PN2022PTC213848. The Board of Directors have authorized to issue these financial statements on May 02, 2024.

2. **Material accounting policies**

2.1. Basis of preparation and measurement

(a) Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (from time to time) and presentation requirement of Division II of Schedule III to the Act as applicable to the financial statements. The financial statements are prepared for the year ending March 31, 2024.

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

(b) Basis of measurement

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

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

2.2. Changes in accounting policies and disclosures

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company 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 and 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 1 April 2022.

2.3 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 Company classifies all other liabilities as non-current.

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 financial statements are prepared in Rupees, which is the also 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 recognized in the Statement of profit and loss.

c. Fair value measurement

The Company measures financial instruments 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for significant judgements, estimates and assumptions (note 3)
- Quantitative disclosures of fair value measurement hierarchy (note 32)
- Financial instruments (including those carried at amortized cost) (note 32)
- Financial instruments and valuation techniques

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

At present, the impact of climate-related matters is not material to the Company's financial statements.

d. Property, Plant and Equipment

Property, plant and equipment (PPE) is 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 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:

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Office equipment*	5	5
Computers	3 to 6	3 to 6
Furniture and fixtures	15	10

*includes site infrastructure which is fully depreciated in the year of purchase

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.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized 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 recognized in the Statement of profit and loss when the asset is derecognized.

A summary of amortization rates applied to the Company's intangible assets is as below:

Asset category	Life (years)
Computer software	3

f. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized 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 recognized when it has approval and commitment from both the 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.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

The Company 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 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 recognized over a period of time if any of the following criteria is met:

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

(c) 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

If none of the criteria above are met, the Company recognized 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 recognizes revenue over time as it performs because of continuous transfer of control to the customer. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customer typically controls 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 fees or 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 recognized 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 recognized 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 recognizes the expected losses from onerous contract as an expense immediately. Penalties for any delay or improper execution of a contract are recognized as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

On the balance sheet date, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognized profits (less recognized losses) exceed progress billings; a contract represents a liability where the opposite is the case.

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 recognized on a time proportion basis under the contracts.

Contract balances

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 that is conditional and are transferred to Trade receivables on completion of milestones and its related invoicing. Contract assets are recorded in balance sheet as unbilled revenue.

Trade receivables: 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).

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.

Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable. Interest income is included in the other income in the Statement of profit and loss.

g. 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

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset. For all subsequent measurements financial assets are classified in following categories by the Company:

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL.

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

Derecognition

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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month ECL. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

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 recognized 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 amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in Statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

a. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized 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 recognized 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:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized 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, hedge ratio 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:

(i) Fair value hedges

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the Statement of profit and loss as finance costs. The Company has not undertaken Fair value hedges.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized 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 recognized in statement of profit and loss.

Amounts recognized 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 recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized 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 recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Derecognition

A financial liability is derecognized 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

h. Cash and cash equivalents

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 Company's cash management.

i. Share capital

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

j. Income tax

Current income-tax

Current income 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 recognized outside the Statement of profit and loss is recognized outside the Statement of profit and loss (either in OCI or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. The 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside the Statement of profit and loss is recognized outside the Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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 and the same taxation authority.

k. Leases

Company as a lessee

The Company lease asset classes primarily consist of leases for office premises. 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 recognizes a right-of-use asset ("ROU") 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized 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.

l. Impairment of non-financial assets

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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

The Company assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

m. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on management estimate. The initial estimate of warranty related costs is revised annually.

Provision for onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognizes 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).

n. 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 recognizes 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 recognized 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 recognized 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 recognized 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 recognized in the Statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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 utilized 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.

o. Segment Reporting

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 Chief Executive Officer (CEO) of the Company as the chief executive decision maker of the Company.

p. Contingent liability

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.

q. Earnings Per Share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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.

The diluted potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (that is the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

i) Revenue recognition on construction contracts

A significant portion of the Company's business relates to construction of assets which are accounted using percentage-of-completion method, recognizing revenue as the performance on the contract progresses. This requires Management to make judgement with respect to identifying contracts which need to be accounted under percentage-of-completion method, depending upon the level of customization and the period of the fulfilment of the performance obligations under the contract. The percentage-of-completion method requires Management to make significant estimates of the extent of progress towards completion including accounting of multiple contracts which need to be combined and considered as a single contract.

ii) Segment reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in 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.

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

The Board of Directors has determined that the CODM is the Chief Executive Officer of the Company, based on its internal reporting structure and functions of the Company. Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Manager 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 one reportable segment i.e. Industrial Infra.

3.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. EPC contracts:

- **Provisions for liquidated damages claims (LDs):** The Company provides for LD claims where there have been significant contract delays and it is considered probable that the customer will successfully pursue such a claim. This requires an estimate of the amount of LDs payable under a claim which involves a number of management judgements and assumptions regarding the amounts to recognize.

- **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

- **Provision for onerous contract:** The Company provides for future losses on 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.

ii. Defined benefit plans - 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.

iii. Impairment of financial assets

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 judgement 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 categorizes 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.

4 a) Property, Plant and Equipment

Particulars	Office equipment	Computer	Furniture & fixtures	Total
Gross carrying amount				
As at August 12, 2022	**-**	**-**	**-**	**-**
Additions	10.00	90.99	2.48	103.47
Disposals	-	-	-	-
As at March 31, 2023	10.00	90.99	2.48	103.47
Additions	73.78	58.89	-	132.67
Adjustments/Disposals	-	-	-	-
As at March 31, 2024	**83.78**	**149.88**	**2.48**	**236.14**
Accumulated depreciation				
As at August 12, 2022	**-**	**-**	**-**	**-**
Charge for the period	9.50	2.47	0.06	12.03
Disposals	-	-	-	-
As at March 31, 2023	**9.50**	**2.47**	**0.06**	**12.03**
Charge for the period	70.09	24.41	0.16	94.66
Adjustments/Disposals	-	-	-	-
As at March 31, 2024	**79.59**	**26.88**	**0.22**	**106.69**
Net Block				
As at March 31, 2024	**4.19**	**123.00**	**2.26**	**129.45**
As at March 31, 2023	**0.50**	**88.52**	**2.42**	**91.44**

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

4 (b) Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
As at August 12, 2022	**-**	**-**
Additions	25.00	25.00
As at March 31, 2023	**25.00**	**25.00**
Additions	11.65	11.65
Adjustments/Disposals	-	-
As at March 31, 2024	**36.65**	**36.65**
Accumulated amortisation		
As at August 12, 2022	**-**	**-**
Charge for the period	1.28	1.28
As at March 31, 2023	**1.28**	**1.28**
Charge for the period	9.22	9.22
Adjustments/Disposals	-	-
As at March 31, 2024	**10.50**	**10.50**
Net Block		
As at March 31, 2024	**26.15**	**26.15**
As at March 31, 2023	**23.72**	**23.72**

5 Trade receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables		
i) Related parties (Refer note 31)	-	-
ii) Other than related party	448.62	155.29
Total receivables	**448.62**	**155.29**
Break up of security details		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	448.62	155.29
Trade receivables which have a significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
	448.62	**155.29**
Less: - Impairment allowance	-	-
Total	**448.62**	**155.29**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner a director or a member.

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

Particulars	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	
As at March 31, 2024							
(i) Undisputed Trade Receivables- considered good	448.62	-	-	-	-	-	448.62
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Impairment allowance							-
Total							**448.62**

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

Particulars	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	
As at March 31, 2023							
(i) Undisputed Trade Receivables- considered good	155.29	-	-	-	-	-	155.29
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Less: Impairment allowance							-
Total							**155.29**

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

5 (b) Current trade receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables from:		
i) Related parties (Refer note 31)	1,475.98	158.05
ii) Other than related party	7,258.21	958.28
Total	**8,734.19**	**1,116.33**
Break up of security details		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	8,896.27	1,127.77
Trade Receivables which have a significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	8,896.27	**1,127.77**
Less: Impairment allowance	**(162.08)**	**(11.44)**
Total	**8,734.19**	**1,116.33**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner a director or a member.

All outstanding balances are unsecured and repayable in cash. Trade receivables are non-interest bearing and are generally on terms of 15-60 days.

For term and conditons relating to related party receivables, Refer Note 31

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

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

Particulars	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	
As at March 31, 2024							
(i) Undisputed Trade Receivables- considered good	6,370.24	2,141.38	384.65	-	-	-	8,896.27
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - impairment allowance	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - impairment allowance	-	-	-	-	-	-	-
Less: Impairment allowance							(162.08)
Total							**8,734.19**

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

Particulars	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	
As at March 31, 2023							
(i) Undisputed Trade Receivables- considered good	1,102.58	25.19	-	-	-	-	1,127.77
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - impairment allowance	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Impairment allowance	-	-	-	-	-	-	-
Less: Impairment allowance							(11.44)
Total							**1,116.33**

5 (c) Set out below is the movement in the allowance for expected credit lossess for trade receivable and contract assets measured using life time expected credit loss model(pursuant to Ind AS 109 :

	Non Current		Current	
	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 period	11.44	24.02	-	-
Provisions made during the period	150.64	108.55	11.44	24.02
Utilized/ reversed during the period	-	-	-	-
At the end of the period	**162.08**	**132.57**	**11.44**	**24.02**

6 Income Taxes

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

a) Statement of profit and loss

	As at March 31, 2024	As at March 31, 2023
Current income tax charge	-	51.00
Deferred tax relating to origination and reversal of temporary differences	10.63	(9.57)
Income tax expense reported in the Statement of profit and loss	**10.63**	**41.43**

(b) Other Comprehensive Income

	As at March 31, 2024	As at March 31, 2023
Deferred tax related to items recognized in other comprehensive income during the year		
Net Loss/(Gain) on re-measurement of defined benefit plans	-	1.06
Income tax charged to Other Comprehensive Income	**-**	**1.06**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31 2023

Particulars	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax	(1,712.15)	156.76
At India's statutory income tax rate of 25.17% (March 31, 2023 : 25.17%)	(430.95)	39.46
Deferred tax not recognized on current year loss	441.58	1.97
At the effective Tax rate of 25.17%	**10.63**	**41.43**
Income tax expense reported in the Statement of profit or loss	**10.63**	**41.43**

The Company has assessed the availability of probable future taxable profits against future taxable income as at March 31, 2024, given the Company has incurred significant losses on account of technological challenges and project delays. The Company has not recognized deferred tax asset over and above the deferred tax liability on conservative basis.

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

7 Deferred tax

(a) Statement of Profit and Loss

	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
Accelerated depreciation for tax purpose	(1.72)	1.72
Provision for doubtful receivables	8.92	(8.92)
Items allowed on payment basis/ temporary disallowances	3.43	(2.37)
Temporary differences in accounting treatment as required by income tax standards	-	-
Deferred Tax Expense/(Income) in the Statement of Profit and Loss	**10.63**	**(9.57)**

(b) Balance sheet

	As at March 31, 2024	As at March 31, 2023
Deferred tax liability		
Accelerated depreciation for tax purpose	-	(1.72)
Deferred tax assets		
Provision for doubtful receivables	-	8.92
Items allowed on payment basis	-	3.43
Temporary differences in accounting treatment as required by income tax standards	-	-
Deferred tax assets (net)	**-**	**10.63**

The Company 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.

(c) Reconciliation of deferred tax assets

	As at March 31, 2024	As at March 31, 2023
Opening balance as of 1 April	10.63	-
Tax expense / (income) during the period recognised in profit or loss	(10.63)	9.57
Tax expense / (income) during the period recognised in OCI	-	1.06
Closing balance as at 31 March	**-**	**10.63**

8 Current Investments

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Investments at Fair value through Profit and Loss		
Units in mutual fund (quoted)	1,315.89	-
Total	**1,315.89**	**-**
Aggregate amount of quoted investments	1,315.89	-
Aggregate amount of unquoted investments (book value)	-	-
Aggregate amount of unquoted investments (market value)	-	-
Aggregate amount of impairment in the value of investments	-	-

Investments at fair value through profit or loss reflect investment in quoted debt securities. Refer note 32 for determination of their fair values.

9 Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents *		
Balances with banks		
- in current accounts	192.14	835.52
- in deposits with original maturity of less than three months#	-	1,250.13
Total	**192.14**	**2,085.65**

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

* There are no restriction on use of above cash and cash equivalent

10 Loans

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
At amortised cost		
Employee loan	0.06	0.31
Total	**0.06**	**0.31**

11 Other financial assets

	As at March 31, 2024	As at March 31, 2023
Unbilled revenue (contract asset) *	2,817.15	548.86
Other recoverable ^	247.95	146.78
Total	**3,065.10**	**695.64**

* Unbilled revenue is net of impairment allowance of Rs. 132.57 (March 31, 2023 : Rs. 24.02).

^ Includes amount backcharged for employee costs and recoverable on account of employees transferred from Group Companies (refer note 31)

12 Other current assets

	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Advances to suppliers		
(i) Related parties (Refer note 31)	480.11	8.51
(ii) Others	2,361.42	2,547.78
Advances to employees	71.66	13.31
Prepayments	39.26	-
Balances with government authorities	1,104.35	382.26
Prepaid employee benefit (refer note 30)	19.18	-
Total	**4,075.98**	**2,951.86**

There were no advances due by directors or other 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 a director is a partner or a member.

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

13 Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized shares		
100,00,000 (March 31, 2023: 100,00,000) equity shares of Rs. 10/- each	1,000.00	1,000.00
	1,000.00	**1,000.00**
Issued, subscribed and fully paid share capital		
50,00,000 (March 31, 2023: 50,00,000) equity shares of Rs. 10/- each	500.00	500.00
Total issued, subscribed and fully paid-up share capital	**500.00**	**500.00**

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

Particulars	Equity Shares (No.)	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
At the beginning of the period	-	-
Changes during the year	5,000,000	500.00
At March 31, 2023	**5,000,000**	**500 .00**
Changes during the year	-	-
At March 31, 2024	**5,000,000**	**500.00**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 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 share capital held by holding company

Particulars	As at March 31, 2024	As at March 31, 2023
Holding company		
Thermax Limited	325.00	325.00
32,50,000 (March 31, 2023: 32,50,000) equity shares of Rs. 10/- each fully paid		

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

Particulars	As at March 31, 2024	As at March 31, 2023
Thermax Limited		
%	65.00	65.00
No. of shares	3,250,000	3,250,000
Everenviro Resource Management Private Limited		
%	35.00	35.00
No. of shares	1,750,000	1,750,000

(e) Details of equity shares held by promoters

Particulars	As at March 31, 2024	As at March 31, 2023
Thermax Limited		
%	65.00	65.00
No. of shares	3,250,000	3,250,000
Everenviro Resource Management Private Limited		
%	35.00	35.00
No. of shares	1,750,000	1,750,000

(f) There are no buy back of shares by company during the period preceding the reporting date.

14 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening balance	110.06	-
Add: (Loss)/ Profit for the period	(1,722.78)	115.33
Less: Transaction costs for issued share capital	-	(2.05)
Movement during the year	**(1,612.72)**	**113.28**
Items of other comprehensive income recognized directly in retained earnings:		
Re-measurement (loss) on defined benefit plans (net of tax March 31, 2024 Rs.Nil, (March 31, 2023 - Rs.1.06)	(17.45)	(3.22)
Net surplus in the statement of profit and loss	**(1,630.17)**	**110.06**
Other Reservers		
Share based payment reserve (refer note 34)	5.78	-
Total	**(1,624.39)**	**110.06**

14.1 Share based payment reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

14.2 Retained Earning

Retained earnings are the profits/(loss) that the Company has earned/ incurred till date. Retained earnings include re-measurement (loss) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

15 (a) Non current trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (Refer note 15(b))	-	-
Total outstanding dues of creditors other than micro and small enterprises:	-	-
(i) Related parties (Refer note 31)	-	-
(ii) Others	**84.25**	**-**
Total	**84.25**	**-**

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

The ageing of Non-current trade payables which are due for payment :

Particulars	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	
As at March 31, 2024						
(i) Outstanding dues of micro and small enterprises	-	-	-	-	-	-
(ii) Outstanding dues of creditors other than micro and small enterprises	84.25	-	-	-	-	84.25
(iii) Disputed dues of micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total	**84.25**	**-**	**-**	**-**	**-**	**84.25**
Unbilled trade payables						-
Total						**84.25**

* There was Non current trade payable as at reporting date for the the previous year hence no ageing is provided

15(b) Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (Refer note 15(c))	3,254.45	949.17
Total outstanding dues of creditors other than micro and small enterprises:		
(i) Related parties (Refer note 31)	60.03	69.59
(ii) Others	4,764.30	1,208.04
Total	**8,078.78**	**2,226.80**

For terms and conditions with related parties, refer note 31.

Trade payables are non-interest bearing and are generally on terms of 30-90 days.

The ageing of current trade payables which are due for payment :

Particulars	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	
As at March 31, 2024						
(i) Outstanding dues of micro and small enterprises	2,552.91	625.15	76.39	-	-	3,254.45
(ii) Outstanding dues of creditors other than micro and small enterprises	1,414.45	898.85	32.05	-	-	2,345.35
(iii) Disputed dues of micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total	**3,967.36**	**1,524.00**	**108.44**	**-**	**-**	**5,599.80**
Unbilled trade payables						2,478.98
Total						**8,078.78**

The ageing of current trade payables which are due for payment :

Particulars	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	
As at March 31, 2023						
(i) Outstanding dues of micro and small enterprises	629.83	319.34	-	-	-	949.17
(ii) Outstanding dues of creditors other than micro and small enterprises	522.82	386.40	-	-	-	909.22
(iii) Disputed dues of micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total	**1,152.65**	**705.74**	**-**	**-**	**-**	**1,858.39**
Unbilled trade payables						368.41
Total						**2,226.80**

15 (c) Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

	Particulars	March 31, 2024	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	3,238.74	947.35
	- Interest due thereon	15.71	1.82
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 period	9,151.14	-
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	34.09	-
v)	The amount of interest accrued and remaining unpaid at the end of each accounting year	49.79	1.82
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	49.79	-

* 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.

16 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Derivative instruments at fair value throught profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	20.67	-
At amortized cost	**-**	
Employee related payables	100.12	32.09
Other payables	0.01	0.09
Total	**120.80**	**32.18**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Unearned revenue	2,878.63	1,489.16
Customer advances		
(i) Related parties (Refer note 31)	228.14	901.85
(ii) Others	7,514.07	1,750.76
Payable for purchase of property, plant and equipment & intangible assets		
(i) Related parties (Refer note 31)	-	31.78
(ii) Others	-	6.47
Statutory dues and other liabilities*	165.32	43.53
Total	**10,786.16**	**4,223.55**

* mainly includes tax deducted at source, provident fund, etc.

18 Current Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provisions for employee benefits		
Leave Encashment	86.08	51.64
Gratuity (Refer note 30)	-	60.13
Provision for warranty	8.50	-
Provision for onerous contract	429.69	-
Total	**524.27**	**111.77**

Movement in provisions

Particulars	Provision for onerous contracts	Provision for warranties
As at April 1, 2023		-
Additional provision recognised	429.69	8.50
Unused amounts reversed	-	-
Utilised during the year	-	-
As at March 31, 2024	**429.69**	**8.50**
Breakup of provisions		
Current	429.69	8.50
Non-Current	-	-
Total	**429.69**	**8.50**

Provision for onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognizes 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).

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.

Warranty provision

Provisions for warranty-related costs are recognized 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.

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 18 months.

19 Revenue from operations

Revenue from contracts with customers:

Particulars	As at March 31, 2024	From August 12, 2022 to March 31, 2023
Revenue from operations	26,459.53	4,804.14
Total revenue from contracts with customers	**26,459.53**	**4,804.14**

i) Basis the contracts with customers the Company has only revenue in the category of 'Over a period of time'. Entire revenue during the period is within the geographical market of India.

ii) Contract balances

The following table provides information about contract balances from contracts with customers as at the reporting date:

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables (Refer note 5)	9,182.81	1,271.62
Unbilled revenue (Contract asset) (Refer note 11)	2,817.15	548.86
Unearned revenue (Contract liability) (Refer note 17)	2,878.63	1,489.16
Customer advances (Contract liability) (Refer note 17)	7,742.21	2,652.61

Contract assets primarily relate to the Company's rights to consideration and customised contracts. The Contract assets are transferred to Trade receivables on completion of milestones and its related invoicing.

The Contract liabilities relate to the unearned revenue and advance consideration received from customers and performance obligations still 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 position on specific projects.

iii) Revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year

Particulars	March 31, 2024	March 31, 2023
Uneamed revenue	1,489.16	-
Customer advance	2,065.85	-

iv) Changes in unbilled revenue and unearned revenue for the period:

The explanation of the significant changes in the contract asset and the contract liability balances during the reporting period is presented in the table below

Particulars	As at March 31, 2024	As at March 31, 2023
Opening unbilled revenue	548.86	-
Opening unearned revenue	1,489.16	-
- Transfer of contract assets to receivable from opening unbilled revenue	(548.86)	-
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	1,489.16	-
- Transfer of contract assets to receivable	(25,263.96)	(5,720.42)
- Increase in revenue as a result of changes in the measure of progress	24,880.37	4,804.14
- Onerous loss during the period	429.69	-
- Impairment allowance for the period.	(108.55)	(24.02)
Closing unbilled revenue (Refer note 11)	2,817.15	548.86
Closing unearned revenue (Refer note 17)	2,878.62	1,489.16

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

iv) Performance obligations

Performance obligation in 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.

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.

(v) 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.

Particulars	As at March 31, 2024	As at March 31, 2023
Amount of revenue yet to be recognised for contracts in progress	Nil	Nil

The Company expects that a significant portion of the remaining performance obligation will be met in next 10-11 months.

The Company 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.

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.

20 Other income

	March 31, 2024	From August 12, 2022 to March 31, 2023
Interest income from financial assets carried at amortized cost	5.48	9.23
Fair value gain on financial instrument at fair value through profit and loss (net)	45.08	-
Miscellaneous income #	4.20	-
Total	**54.76**	**9.23**

majorly includes discount received from vendors of Rs. 2.37 (March 31, 2023 - Rs. Nil)

21 Cost of raw material and components consumed

Particulars	As at March 31, 2024	From August 12, 2022 to March 31, 2023
Inventories at the beginning of the period	-	-
Add: Purchases	17,507.63	2,141.29
Inventories at the end of the period	-	-
Total	**17,507.63**	**2,141.29**

22 Employee benefits expense

	March 31, 2024	From August 12, 2022 to March 31, 2023
Salaries, wages bonus	1,338.31	297.00
Contribution to provident and other funds	98.19	17.46
Gratuity expenses (Refer note 30)	30.08	1.29
Staff welfare expenses	26.22	2.13
ESOP expenses (Refer note 34)	5.78	-
Total	**1,498.58**	**317.88**

23 Finance costs

	March 31, 2024	From August 12, 2022 to March 31, 2023
Interest expense	56.24	1.82
Total	**56.24**	**1.82**

24 Depreciation and amortisation expense

	March 31, 2024	From August 12, 2022 to March 31, 2023
Depreciation on property, plant and equipment (Refer note 4 (a))	94.66	12.03
Amortization of intangible assets (Refer note 4 (b))	9.22	1.28
Total	**103.88**	**13.31**

24 (a) Other expenses

	March 31, 2024	From August 12, 2022 to March 31, 2023
Consumption of stores and spare parts	2.43	0.21
Drawing, Design and Technical Service Charges	151.34	-
Site expenses and contract labour charges	7,648.45	1,994.01
Rent (Refer note 28 and 31)	126.37	19.86
Insurance	108.75	3.54
Repairs and maintenance		
- Others	15.33	6.72
Travelling and conveyance	170.31	24.17
Legal and professional fees (includes payment to auditors; Refer note 24 (b))	291.86	66.76
Provision for impairment allowance of financial assets	259.20	35.46
Provision for doubtful advances	106.72	-
Exchange fluctuation loss (net)	37.88	0.99
Warranty Expenses	8.50	-
Miscellaneous expenses (includes printing and stationary, communication, etc.)	132.97	30.59
Total	**9,060.11**	**2,182.31**

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

24 (b) Payment to auditors

	March 31, 2024	From August 12, 2022 to March 31, 2023
As auditor		
- Statutory audit fee	21.23	8.00
- Reimbursment of expenses	0.69	-
Total	**21.92**	**8.00**

25 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity (net of income tax) is shown below:

	March 31, 2024	From August 12, 2022 to March 31, 2023
Re-measurement (losses)/gains on defined benefit plans	(17.45)	(3.22)
Total	**(17.45)**	**(3.22)**

26 Earnings Per Share (EPS)

	March 31, 2024	From August 12, 2022 to March 31, 2023
Net (loss)/ profit attributable to the equity shareholders of the Company	(1,722.78)	115.33
Weighted average number of equity shares of Rs.10/- each (Nos.)	5,000,000	5,000,000
Basic and diluted EPS	(34.46)	2.31

27 Contingent liabilities

The Company has issued various guarantees for performance, advances etc. The management has considered the probability for outflow of the same to be remote and accordingly no amounts has been disclosed here.

28 Capital and other commitments

a) Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for is Nil (March 31, 2023 - Nil)

b) Lease commitments

i) Company as lessee

The Company has taken office building on cancellable operating lease. The tenure of such lease is for 22 months. Lease rentals are charged to the Statement of profit and loss for the period. There are no sub-leases. The lease is renewable on mutually agreeable terms. At the expiry of the lease term, the company has an option to terminate the agreement or extend the term by giving notice in writing. Since the contract is a cancellable contract, the entity has elected to apply the exemption available to short term leases under Ind AS 116 and has recognised the lease payments associated with those leases as an expense. Refer note 24 (a).

	March 31, 2024	From August 12, 2022 to March 31, 2023
Lease payments for the period	34.05	19.86
Future minimum lease rental payables under cancellable operating leases are as follows:	-	-
Within one year	34.05	11.35
After one year but more than five years	-	-
More than five years	-	-

ii) Company as lessor : The Company has not given any asset on lease.

29 Segment reporting

The Company's portfolio includes technology, engineering, procurement and construction services for Bio-CNG plants. The CEO of the Company Mr. Deodatta Deshpande, has been identified as the Chief Operating Decision Maker (CODM). For management purposes, the Company reports the details of operating segments as single segment for "Industrial Infra". The CODM reviews the information for this single segment only. Accordingly, the Company has provided only geographical segment disclosures.

Information of geographical areas-

Sales revenue by geographical markets

	March 31, 2024	From August 12, 2022 to March 31, 2023
Within India	26,459.53	4,804.14
Outside India	-	-
Total	**26,459.53**	**4,804.14**

Revenue of Rs. 23,735.53 (March 31, 2023 Rs. 24,301.05) are derived from three customers (March 31, 2023 two customers) of the company that contributed more than 10% of the total revenue in current period.

Non current assets by geographical segments*

	March 31, 2024	From August 12, 2022 to March 31, 2023
Carrying amounts of non current assets		
Within India	637.89	343.94
Outside India	-	-
Total	**637.89**	**343.94**

*Non current assets includes all non-current assets other than financial instruments and deferred tax assets.

30 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 the rate of 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.

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. 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.

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

I Changes in the net benefit obligation and fair value of plan assets are as follows :

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on August 12, 2022	**-**	**-**	**-**
Current service cost	-	-	-
Interest expense / income	(1.64)	0.35	(1.29)
Total amount recognised in the Statement of profit and loss	**(1.64)**	**0.35**	**(1.29)**
Experience adjustments	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(4.27)	-	(4.27)
Return on plan assets	-	-	-
Total amount recognised in Other Comprehensive Income	**(4.27)**	**-**	**(4.27)**
Transfer In	(63.99)		(63.99)
Employer contributions	-	9.42	9.42
March 31, 2023	**(69.90)**	**9.77**	**(60.13)**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2023	**(69.90)**	**9.77**	**(60.13)**
Current service cost	(21.86)	-	(21.86)
Interest expense / income	(5.49)	5.76	0.27
Transfer In	(8.49)	-	(8.49)
Total amount recognised in the Statement of profit and loss	**(35.84)**	**5.76**	**(30.08)**
Experience adjustments	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(9.63)	-	(9.63)
Return on plan assets	-	(7.82)	(7.82)
Total amount recognised in Other Comprehensive Income	**(9.63)**	**(7.82)**	**(17.45)**
Transfer In	-	61.84	61.84
Employer contributions	-	65.00	65.00
March 31, 2024	**(115.37)**	**134.55**	**19.18**

II The net (asset)/liability disclosed above relates to funded plans are as follows :

	March 31, 2024	March 31, 2023
Present value of funded obligation	(115.37)	(69.90)
Fair value of plan assets	134.55	9.77
Surplus of funded plan	**19.18**	**(60.13)**

III Significant estimates

	March 31, 2024	March 31, 2023
Discount rate	7.20%	7.40%
Future 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	12.00%	12.00%

IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	March 31, 2024	March 31, 2023
Discount rate		
1.00% increase	Decrease by 5.81	Decrease by 3.56
1.00% decrease	Increase by 6.47	Increase by 3.97
Future salary increase		
1.00% increase	Increase by 5.30	Increase by 3.26
1.00% decrease	Decrease by 4.84	Decrease by 2.99
Attrition Rate		
1.00% increase	Increase by 0.06	Decrease by 0.66
1.00% decrease	Decrease by 0.07	Decrease by 1.04

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 following are the expected cash flows to the defined benefit plan in future years:

	March 31, 2024	March 31, 2023
Within next 12 months	24.50	8.52
Between 2-5 years	55.59	46.14
> 5 years	167.87	93.50

The average duration of the defined benefit plan obligation at the end of the reporting period is 11 years (March 31, 2023 - 6 years)

The Company expects to contribute Rs.41 (March 31, 2023 - Rs. 22) to the gratuity fund in the next year.

V The major categories of plan assets are as follows:

	March 31, 2024	March 31, 2023
Investments with Insurer (LIC of India)	100.00%	100.00%

31 Related party disclosures

A Name of related parties and related party relationships

Related parties where control exists:

Holding Company and Ultimate Holding Companies

Sr. No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest		Type
			March 31, 2024	March 31, 2023	
1	RDA Holdings Private Limited	India	0%	0%	Ultimate holding company
2	Thermax Limited	India	65%	65%	Holding Company

B Entity with significant influence over the company

Sr. No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest	
			March 31, 2024	March 31, 2023
1	Everenviro Resource Management Pvt. Ltd.	India	35%	35%

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

C **Related parties with whom transactions have taken place during the period:**

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Limited	India
2	Thermax Onsite Energy Solutions Limited	India
3	Thermax Instrumentation Limited	India
4	Enernxt Private Limited	India
5	Thermax Cooling System Limited	India
6	Everenviro Resource Management Private Limited	India
7	Thermax Babcox & Wilcox Energy Solutions Limited	India

D **Key management Personnel:**

1 Mr. Rajendran Arunachalam - Director
2 Mr. B. C. Mahesh - Director
3 Mr. Kirtiraj Jilkar - Director
4 Mr. Shekhar Kashalikar - Director
(from October 10, 2022 to May 10, 2023)
5 Mr. Basant Kumar Jain - Director
6 Mr. Hemant Mohgaonkar - Director (w.e.f. May 11, 2023)
7 Mr. Deodatta Deshpande - Chief Executive Officer
8 Mr. Harish Tikotkar - Chief Financial Officer

E **Transactions during the period**

	Thermax Limited		Entity with significant influence over the company		Entities controlled by Holding Company		Key management personnel and individuals mentioned in note 31C		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Issue of Equity Shares	-	325.00	-	175.00	-	-	-	-	-	500.00
Remuneration of Key Management Personnel*	-	-	-	-	-	-	118.98	29.91	118.98	29.91
Revenue from projects	-	-	8,089.85	2,792.22	-	-	-	-	8,089.85	2,792.22
Recovery of expenses	200.72	27.14	-	-	32.55	-	-	-	233.27	27.14
Purchase of Property, plant & equipment	-	26.93	-	-	-	-	-	-	-	26.93
Purchase of project bought-out and components	194.48	8.50	-	-	-	-	-	-	194.48	8.50
Insurance	1.77	1.00	-	-	-	-	-		1.77	1.00
Legal and professional	154.32	33.20	-	-	-	-	-		154.32	33.20
Reimbursement of expenses**	8.01	97.74	-	-	1.58	-	-		9.59	97.74
Rent expenses	34.05	19.86	-	-	-	-	-	-	34.05	19.86

**These amounts have been reimbursed to the Holding company

Balances as at the period-end

	Thermax Limited		Entity with significant influence over the company		Entities controlled by Holding Company		Key management personnel and individuals mentioned in C		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade receivables	-	-	1,475.98	158.05	-	-	-	-	1,475.98	158.05
Other receivables	112.72	132.03	-	-	51.19	14.75	-	-	163.91	146.78
Trade payables	58.86	69.59	-	-	1.17	-	-	-	60.03	69.59
Payable for purchase of property, plant and equipment & intangible assets	-	31.78	-	-	-	-	-	-	-	31.78
Advance to Suppliers	480.11	8.51	-	-	-	-	-	-	480.11	8.51
Customer advances	-	-	228.14	901.85	-	-	-	-	228.14	901.85

F **Terms and conditions of related party transactions**

The sales to 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 and settlement occurs in cash.

As at March 31, 2024 there have been performance bank guarantees provided to Everenviro Resource Management Pvt. Ltd. amounting to Rs. 1,544.50 (March 31, 2023 Rs. 1,544.50). For the period ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

G 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 'E' above):

Particulars	March 31, 2024	March 31, 2023
Transactions during the year		
Recovery of expenses		
Thermax Limited, India	200.72	27.14
Enernxt Private Limited	32.55	-
Purchase of raw material and components		
Thermax Limited, India	194.48	8.50
Insurance		
Thermax Limited, India	1.77	1.00
Reimbursement of expenses		
Thermax Limited, India	8.01	97.74
Thermax Cooling Solutions Limited	1.58	-
Legal and professional expenses		
Thermax Limited, India	154.32	33.20
Rent Expenses		
Thermax Limited, India	34.05	19.86
Purchase of property, plant & equipment		
Thermax Limited, India	-	26.93
Revenue from Projects		
Everenviro Resource Management Private Limited	8,089.85	2,792.22
Remuneration to key management personnel		
Mr. Deodatta Deshpande	85.51	19.31
Mr. Harishi Tikotkar	33.47	10.60
Issue of equity shares		
Thermax Limited, India	-	325.00
Everenviro Resource Management Private Limited	-	175.00

Particulars	March 31, 2024	March 31, 2023
Balances as at the year end		
Other recoverable		
Thermax Limited, India	112.72	132.03
Enernxt Private Limited	36.75	-
Trade receivables		
Everenviro Resource Management Private Limited	1,475.98	158.05
Advance to suppliers		
Thermax Limited, India	480.11	8.51
Payable for purchase of property, plant & equipment		
Thermax Limited, India	-	31.78
Trade payables		
Thermax Limited, India	58.86	69.59
Customer advance		
Everenviro Resource Management Private Limited	228.14	901.85

32 Fair value measurements

a) Category of financial instruments and valuation techniques

Break-up of financial assets carried at amortised cost

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Trade receivables	5 (a) and 5 (b)	9,182.81	1,271.62
Cash and cash equivalents	9	192.14	2,085.65
Loans	11	0.06	0.31
Investment	8	1,315.89	-
Other financial assets	10	3,065.10	695.64
Total		**13,756.00**	**4,053.22**
Current assets		13,307.38	3,897.93
Non-current assets		448.62	155.29
Total		**13,756.00**	**4,053.22**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break up of financial liabilities carried at amortised cost

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Trade payable	15 (b)	8,163.03	2,226.80
Other liabilities	16	120.80	32.18
Total		**8,283.83**	**2,258.98**
Current liabilities		8,283.83	2,258.98
Total		**8,283.83**	**2,258.98**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Details of derivative liabilities

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Derivative instruments			
Derivative not designated as hedges			
Foreign exchange forward contracts		1,899.21	-
Total		**1,899.21**	**-**
Current liabilities		20.67	-
Non-current liabilities		-	-
Total		**20.67**	**-**

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.

a) 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				
Mutual funds	March 31, 2024	1,315.89	-	-
Financial liabilities				
Derivative financial liabilities	March 31, 2024	-	20.67	-

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				
Mutual funds	March 31, 2023	-	-	-
Financial liabilities				
Derivative financial liabilities	March 31, 2023	-	-	-

There has been no transfer between level 1 and level 2 during the year.

33 Financial risk management

The Company's principal financial liabilities comprise trade and other payables. 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 is exposed to market risk, credit risk and liquidity risk. The Company's financial risk activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors 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.

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 does not have any borrowings and hence there is no exposure to the risk of changes in market interest rates.

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 currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The following table demonstrates the sensitivity to a reasonably possible change in 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 assets and liabilities. The impact is stated in Rupees (denominated in Lakh) below:

	March 31, 2024	March 31, 2023
Decrease in EUR rate by 5%	(5.09)	-
Increase in EUR rate by 5%	5.09	-

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 from its financing activities, including deposits with banks.

Trade receivables & contract assets

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in notes 5 (a) and (b) above. The charge of impairment to Statement of profit and loss is disclosed in note 24(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 and mutual funds is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties 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, mutual funds and deposits as at March 31, 2024 is the carrying amounts as disclosed in Note 8.

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, 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. 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 :

Particulars	Less than 1 year	1 to 3 years	Total
Non-derivative			
As at March 31, 2024			
Trade payables (Refer note 15)	7,970.34	192.69	8,163.03
Other financial liabilities :			
- Employee related payables (Refer note 16)	100.12	-	100.12
- Other payables (Refer note 16)	0.01	-	0.01
Derivatives (net settled) Foreign exchange forward contracts	20.67	-	20.67
	8,091.14	**192.69**	**8,283.83**

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

Particulars	Less than 1 year	1 to 3 years	Total
Non-derivative			
As at March 31, 2023			
Trade payables (Refer note 15)	2,226.80	-	2,226.80
Other financial liabilities :			
- Employee related payables (Refer note 16)	32.09	-	32.09
- Other payables (Refer note 16)	0.09	-	0.09
Payable for purchase of property, plant and equipment & intangible assets (Refer note 17)	38.25	-	38.25
Derivatives (net settled) Foreign exchange forward contracts	-	-	-
	2,297.23	**-**	**2,297.23**

34 Share based payments

Employees Stock Option Plan (ESOP)

The Parent Company approved Employee Stock Option Plan at their meeting in January 2022. Pursuant to this approval, the Parent Company instituted ESOP 2021 Plan in January 2022. The compensation committee of the Parent Company administers this Plan. Each option carries with it the right to purchase one equity share of the Parent Company. The Options have been granted to employees of the Company 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	March 31, 2024		March 31, 2023	
	No.of options	Weighted average exercise price per share (Rs.)	No.of options	Weighted average exercise price per share (Rs.)
Options outstanding at the beginning of the year	-	-	-	-
Granted during the year	454	15.25	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Options outstanding at the end of year	454	15.25	-	-
Options exercisable at the end of the year	-	-	-	-

There were no options exercised during the year.

The weighted average remaining contractual life is as follows:

Particulars	March 31, 2024	March 31, 2023
Exercise price	Rs. 15.25 per share	-
Weighted average contractual life (years)	5 Years	-
No. of Options	454	-

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	March 31, 2024	March 31, 2023
1. Exercise price (Rs.)	15.25	-
2. Price of underlying share in the market at the time of option grant	Rs. 2,415.85	-
3. Weighted average fair value of options granted (Rs)	Rs. 2,379.45	-
4. Expected life of the option (years)	5.00	-
5. Risk free interest rate (%)	7.05%	-
6. Expected volatility (%)	13.14%	-
7. Dividend yield (%)	0.48%	-

The Company recorded an employee compensation cost of Rs. 5.78 lakhs (March 31, 2023 : Rs Nil) 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.

35 Key financial ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Management response
Current Ratio	Current Assets	Current Liabilities	0.89	1.04	(14.22%)	
Return on equity ratio	Profit after tax	Average shareholder's Equity	(6.70)	0.19	(3,643.63%)	Refer note 35 (a)
Trade receivable turnover ratio	Revenue from contracts with customers (Net credit sales)	Average Trade Receivables	5.06	3.78	33.98%	Refer note 35 (b)
Trade payables turnover ratio	Purchases# (Net credit)	Average Trade Payables	5.04	1.93	161.65%	Refer note 35 (c)
Net working capital turnover ratio	Revenue from contracts with customers (Net sales)	Working Capital *	(12.44)	18.80	(166.17%)	Refer note 35 (c)
Net Profit ratio	Profit after tax	Revenue from contracts with customers (Net sales)	(0.07)	0.02	(371.22%)	Refer note 35 (a)
Return on capital employed (ROCE)	Profit before tax and Finance Cost	Capital Employed **	(1.47)	0.26	(676.43%)	Refer note 35 (a)
Return on investment (ROI)	Interest (Finance Income)	Average investment	(1.53)	0.19	(910.48%)	Refer note 35 (a)

The Company does not have any debt, hence debt equity ratio, debt service coverage ratio, inventory turnover ratio data have not been disclosed.

Explanations:

* Total Current Assets - Total Current Liabilities

** Total Equity + Non-current borrowings + Deferred Tax

Total Supplier purchases include project bought-outs, other expenses and staff welfare expenses

35 (a) Negative return on equity is attributable to losses incurred in current year refer note 38 for further details.

35 (b) Higher receivable as at March 31, 2024 on account of increase in operations.

35 (c) Higher payable as at March 31, 2024 on account of increase in operations.

36 Capital Management

The Company's objective for capital management is to maximise 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 period ended March 31, 2023 and March 31, 2024 Capital represents equity attributable to Equity holders of the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables	8,163.03	2,226.80
Less: Cash and cash equivalents	(192.14)	(2,085.65)
Net debt	**7,970.89**	**141.15**
Equity	(1,124.39)	610.06
Capital and net debt	**6,846.50**	**751.21**
Gearing ratio	**1.16**	**0.19**

37 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) (A) The Company has not advanced or loaned or invested funds to any other person or entity, 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.

(B) The Company has not received any fund from any persons or entities, 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,

(vi) 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).

(vii) The Company has availed working capital limits in excess of Rs. 500 lakhs in aggregate from banks during the year on the basis of security of current assets of the Company. The security is on the trade receivables of the Company.

Notes to the financial statements for the year ended March 31, 2024
((All amounts in Rupees Lakh, except per share data and unless stated otherwise.)

38(a) Compliance with section 143(3) for maintenance of books of account

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 and records pertaining to employee reimbursement system maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

38 (b) The Company 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 that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights master data excluding vendor master data for accounting application and/or the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of accounting software

39 The Company has incurred losses during the current period. As at March 31, 2024, the Company has accumulated losses of Rs 1,624.39 lakhs which have significantly eroded the net worth of the Company. The Company also has net current liabilities as of March 31, 2024. The Company has received a support letter from Thermax Limited and Everenviro Resource Managment Pvt Limited which confirms its commitment to provide support to the extent of its share in the Company. Hence, presently the Company has access to sufficient liquidity to discharge its liabilities as and when they become due. Besides, the Company has a healthy order book in hand and future business viability plan in place. Accordingly, these financial statements have been prepared on a going concern basis and consequently, no adjustments have been made to the carrying values or classification of balance sheet amounts.

40 The Company was incorporated on August 12, 2022, accordingly the comparative financial statements reflect transaction for the period August 12, 2022 to March 31, 2023.

41 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 Registration Number: 324982E/E300003

per Sumit Kumar Agrawal
Partner
Membership Number: 135859
UDIN: 24135859BKGWLG1173

Place: Pune
Date: May 02, 2024

For and on behalf of the Board of Directors of
Thermax Bioenergy Solutions Private Limited
CIN : U40107PN2022PTC213848

Rajendran Arunachalam
Director
DIN: 08446343

Basant Kumar Jain
Director
DIN: 00220395

Deodatta Deshpande
Chief Executive Officer

Harish Tikotkar
Chief Financial Officer

Place: Pune
Date: May 02, 2024

ENERNXT PRIVATE LIMITED

Board of Directors
Bhavesh Chheda
Khushboo Bhatia
Deodatta Deshpande

Registered Office
Thermax House,
14, Mumbai – Pune Road,
Wakdewadi,Pune – 411003

Auditors
B. K. Khare & Co.
Chartered Accountants
Hotel Swaroop, 4th Floor, Lane No. 10,
Prabhat Road, Pune 411004

Key Managerial Personnel
Deepak Joshi (CFO)
Ramkumar S. (Manager)
Kajal Kabra (Company Secretary)

Bankers
HSBC Bank

DIRECTORS' REPORT

Dear Shareholder,

The Directors present the Third Annual Report of the company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. lakh)

Particulars	2023-2024	2022-2023
Total income	**24.88**	**53.03**
Profit before depreciation and interest	**-8.32**	**6.98**
Depreciation	-	-
Interest	-	-
Profit before tax	**-8.30**	**6.98**
Provision for taxation (incl. deferred tax)	**-0.37**	**2.08**
Profit after tax	**-7.95**	**4.90**

STATE OF COMPANY'S AFFAIRS

Enernxt Private Limited was incorporated on 5th January 2021 and there was no commercial business activity during the year. The company earned a total income of Rs 24.88 lakh mainly from trading of paddy straw and marginal from other income sources.

During the Financial Year 2023-24, the company has obtained regulatory approvals (11 out of 17 Approvals) from Government authorities for setting up the plant. Balance 6 approvals shall be received in due course before Plant start commissioning. Temporary Construction Power has been obtained & Permanent Power for Plant operation shall be available from June'24. Construction of the plant under progress. Plant commissioning has been delayed due to technical hurdles, and our technology partner is actively addressing these challenges.

The decision to set up its first Bio CNG plant in Punjab is to partially address the perennial problem of rice stubble burning in Punjab causing pollution issues in North India every year.

The company, in line with its green energy initiative, will set up more such Bio CNG plants in future. With the increased attention on climate change and planned progressive renunciation of coal and other fossil fuels, the market for agro-waste based CNG solutions is expected to grow steadily.

HEALTH AND SAFETY

The company will ensure focused and continuous improvement on its Safety and Health standards.

MATERIAL CHANGES AFFECTNG FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the company.

DIVIDEND

The directors do not recommend any dividend on equity shares.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The company does not propose to carry any amount to reserves.

SHARE CAPITAL

The Paid up Share Capital of the Company is Rs. 2,363 lakh. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

PUBLIC DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company did not give any loan or make an investment pursuant to the provisions of Section 186 of the Companies Act, 2013.

BUSINESS RISK MANAGEMENT

The company is in the business of supply of Bio CNG to OMC (oil manufacturing companies) by producing the same in Bio CNG plant. It is susceptible directly and indirectly to govt. policies, global trends related to renewable energy and conservation of natural resources.

The company follows a structured risk management process supported by a Risk Management framework to manage risks emanating from external factors and internal actions. Risk Management is ingrained in the operations of the various functions of the company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal controls are reviewed by Internal Audit Department of the holding company on a periodical basis. Internal Audit is not applicable for the company as per section 138 of Companies Act and Rule 13 of the Companies (Accounts) Rules, 2014.

KEY MANAGERIAL PERSONNEL (KMP)

There have not been any changes in the KMP position for the Financial Year 2023-24.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, Mr. Deodatta Deshpande (DIN: 09019737), Director retires by rotation and being eligible, offers himself for re-appointment.

BOARD MEETINGS

The Board met four times on April 26, 2023, July 24, 2023, October 23, 2023 and January 23, 2024 during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Details of meetings attended by the members are as follows:

Board Members	Number of meeting attended
Mr. Bhavesh Chheda	4
Mr. Deodatta Deshpande	2
Ms. Khushboo Bhatia	2

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis; and

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL STANDARDS

The Company follows the Secretarial Standards issued by the Institute of Company Secretaries of India on the Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2). The Company is in compliance with these secretarial standards.

RELATED PARTY TRANSACTIONS

All related party transactions (RPTs) that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the Financial Statements.

CONSERVATION OF ENERGY

The company is in the business of supply of Bio CNG to OMCs. by producing the same in Plant. This activity directly helps to reduce Carbon Footprint.

TECHNOLOGICAL ABSORPTION

There was no technology acquisition and absorption during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to foreign exchange earnings and outgo, under Section 134(3)(m) of the Companies Act, 2013 is as follows:

	(Rs. in lakh)
Foreign exchange earnings	NIL
Foreign exchange outgo	NIL

PARTICULARS OF EMPLOYEES

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company is committed to provide a safe and conducive work environment to its employees. There were no cases pending at the beginning of the year/ filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

AUDITORS

B. K. Khare, Chartered Accountants, (Firm Registration No. 105102W) have been re- appointed as the Statutory Auditors of the Company for 2nd term of 5 years at its 2nd Annual General Meeting (AGM) held on July 24, 2023 upto the conclusion of 5th AGM of the Company.

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

DETAILS REGARDING FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

RESTRICTION ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES

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 exceeding the limit mentioned therein, to persons in the employment of the Company its Directors or Key Managerial Personnel, for purchase or subscribe shares 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. During the year there is no instance of one-time settlement with any Bank or Financial Institution, during the year under review.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the support extended by the company's customers, vendors and bankers during the year and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors of

Enernxt Private Limited

Pune, April 26, 2024	**Bhavesh Chheda** Director DIN: 08558510	**Deodatta Deshpande** Director DIN: 09019737

ENERNXT PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To the members of EnerNxt Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **EnerNxt Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our 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 for the 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 Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 financial 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 system 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 the 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 auditors' 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 auditors' 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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.

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 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) 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.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion, the Company did not paid/provided managerial remuneration to its directors during the year and hence the provisions of section 197 read with Schedule V to the Act are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of 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 does not have any pending litigations which would impact its financial position

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were 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, 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 that we 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) The Company has not declared and paid any dividend during the year.

      (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 transactions including master data and direct changes to data when using certain privileged access rights, as described in note 35(b) to the 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 accounting software wherever these elements are enabled.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Membership No.: 125657
UDIN No: 24125657BKESNB9215

Pune, April 26, 2024

Annexure A to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements 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 financial statements of **EnerNxt Private Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 issued by the Institute of Chartered Accountants of India. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to 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 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 financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements 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 issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Membership No.: 125657
UDIN No: 24125657BKESNB9215

Pune, April 26, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(1) i) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

ii) The property, plant and equipment and investment properties are physically verified by the Company once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified property, plant and equipment during the financial year and no material discrepancies were noted on such verification.

iii) According to the information and explanations given to us and based on the audit procedures performed by us, the title deed of immovable property is held in the name of the Company.

iv) According to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment (including Right of use assets) or intangible assets or both during the year.

v) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) i) According to the information and explanations given to us, the inventory comprising of Rice/paddy straw has been physically verified at reasonable interval by the management during the year. In our opinion, coverage and procedure of such verification is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and book records.

ii) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, the reporting under Clause 3 (ii) (b) is not applicable to the Company.

3) a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or secured or unsecured loans to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5) According to the information and explanation given to us, the Company has not accepted deposits under the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under clause 3(v) of the order is not applicable to the Company.

6) The Company has not started its operations and hence reporting under Clause 3(vi) of the Order with respect to maintenance of cost records under sub-section (1) of Section 148 of the Act is not applicable to the Company.

7) i) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues pertaining to Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

ii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Income Tax as on the last day of the year for a period of more than six months from the date they became payable.

iii) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess as at 31 March 2024, which have not been deposited on account of any dispute.

8) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9) a) According to the information and explanations given to us and based on the audit procedures performed by us, the company has not defaulted in repayment of borrowings or in the payment of interest thereon to any lender during the year.

b) b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

c) In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which the loans were obtained.

d) In our opinion and according to information and explanations given to us and on overall examination of the Balance sheet of the Company, we report that company has not raised any short-term borrowings during the year. Hence reporting under clause (ix) (d) is not applicable to company.

e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix) (f) of the Order is not applicable to the Company.

10) a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central

Government. Accordingly, the reporting under Clause 3(xi) (b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14) a) In our opinion and according to the information and explanations given to us and based on our examination, internal audit system is not applicable to the Company. Hence reporting under clause 3(xiv) is not applicable to the Company.

15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3 (xv) of the Order is not applicable to the Company.

16) a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing finance activities Accordingly, the reporting under Clause 3(xvi) (b) of the Order is not applicable to the Company.

c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi) (c) of the Order is not applicable to the Company.

d) Based on the information and explanations given to us, we report that the Group has one Core Investment Company.

17) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

18) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 the 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.

20) a) The Company is not required to comply with the provisions of Section 135 of the Companies Act. Accordingly, reporting under clause 3(xx) (a) & (b) is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Amit Mahadik
Partner
Membership No.: 125657
UDIN No: 24125657BKESNB9215

Pune, April 26, 2024

BALANCE SHEET as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
I. Non-current assets			
Property, plant and equipment	4(a)	440.98	440.98
Capital work-in-progress	4(b)	2,793.07	708.38
Deferred tax asset (net)	7	6.31	6.31
Total non-current assets		**3,240.36**	**1,155.67**
II. Current assets			
Inventories	9	48.66	71.53
Financial assets:			
(a) Investments	5	5.20	-
(a) Cash and bank balances	10	247.07	741.80
(c) Other financial assets	6	0.22	0.14
Income tax asset (net)		1.42	3.52
Other current assets	8	392.82	409.39
Total current assets		**695.39**	**1,226.38**
Total assets		**3,935.75**	**2,382.05**
Equity and liabilities			
III. Equity			
Equity share capital	11	2,363.00	2,363.00
Other equity	12	-9.58	-1.63
Total equity		**2,353.42**	**2,361.37**
IV. Non-current liabilities			
Financial liabilities			
(a) Borrowings	13	851.65	-
Total non-current liabilities		**851.65**	**-**
V. Current liabilities			
Financial liabilities			
(a) Borrowings		103.05	
(b) Trade payables	14	-	-
i. total outstanding dues of micro enterprises and small enterprises		-	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises		18.60	8.05
(b) Other financial liabilities	15	596.11	-
Other current liabilities	16	12.92	12.63
Total current liabilities		**730.68**	**20.68**
Total equity and liabilities		**3,935.75**	**2,382.05**
Summary of Material accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	3		
The accompanying notes are an integral part of the financial statements.			

Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
Income			
Other operating income	20	19.47	-
Other income	21	5.41	53.03
Total Income (I)		**24.88**	**53.03**
Expenses			
Cost of raw materials and components consumed	22	-	-
Changes in inventories of work-in-progress /traded goods	23	22.87	-
Employee benefits expense	24	-	34.74
Other Expenses	25	10.33	11.31
Total expenses (II)		**33.20**	**46.05**
Profit before tax (III) = (I-II)		**-8.32**	**6.98**
Tax expense			
Current tax		-	2.08
Adjustment of tax relating to earlier period	7	-0.37	-
Total tax expense (IV)		**-0.37**	**2.08**
Profit for the year (V) = (III-IV)		**-7.95**	**4.90**
Other comprehensive income		-	-
Items that will not be reclassified to profit or loss			
Net other comprehensive income for the year (net of tax)		**-**	**-**
Total comprehensive income for the year		**-7.95**	**4.90**
Earning per equity share (Basic and Diluted) [Nominal value per share Rs. 10/- (March 31, 2023: Rs. 10/-)]	19	**-0.03**	**0.02**
Summary of significant accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	3		
The accompanying notes are an integral part of the financial statements.			

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No.: 105102W

Amit Mahadik
Partner
Membership No:125657

Date : 26/04/2024

Place: Pune

For and on behalf of the Board of Directors of
Enernxt Private Limited

Bhavesh Chheda
Director
DIN: 08558510

Deodatta Deshpande
Director
DIN: 09019737

Kajal Kabra
Company Secretary

Deepak Joshi
Chief Financial Officer

Date : 26/04/2024

Place: Pune

ENERNXT PRIVATE LIMITED

Statement of changes in equity for the year ended March 31, 2024

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

A Equity Share Capital^

Particulars	Note No.	March 31, 2024	March 31, 2023
Balance at the beginning of the reporting year	10	2,363.00	-
Changes in equity shares capital during the year	10	-	2,363.00
Balance at the end of the reporting year	10	**2,363.00**	**2,363.00**

B Other Equity^

Particulars	Reserves & Surplus	
	Retained Earnings	Total
As at April 1, 2022	**-1.63**	**-1.63**
Other Comprehensive Income	-	-
Total comprehensive income	**-1.63**	**-1.63**
As at March 31, 2023	**-1.63**	**-1.63**
Profit for the year	-7.95	-7.95
Other Comprehensive Income	-	-
Total comprehensive income	-7.95	-7.95
As at March 31, 2024	**-9.58**	**-9.58**

Cash flow statement for the year ended March 31, 2024

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

	Particulars		As at March 31, 2024	As at March 31, 2023
A)	**Cash flows from operating activities**			
	Profit before tax		(8.32)	6.98
	Adjustments to reconcile profit before tax to net cash flows			
	Bad debts written off		-	1.00
	Interest income		(5.41)	(53.03)
	Fair value gain on financial instrument at fair value through profit & loss (net)	21	(0.20)	-
	Working capital adjustments			
	(Increase) / Decrease in trade receivables		-	(1.00)
	(Increase) / Decrease in inventories		22.87	(71.53)
	(Increase) / Decrease in Other current assets		16.57	(200.45)
	Increase / (Decrease) in trade payables		10.55	7.13
	Increase / (Decrease) in other liabilities		0.29	12.53
	Increase / (Decrease) in Other assets		(0.08)	-
	Cash generated (used in)/ from operations		**36.27**	**(298.37)**
	Direct taxes paid (net of refunds received)		2.47	(4.19)
	Net cash flows used in operating activities		**38.74**	**(302.56)**
B)	**Cash flows from/ (used in) investing activities**			
	Purchase of Property, plant and equipment (net)	4a	(1,488.30)	(709.46)
	Sale/ (purchase) of other investments (net)	5	(5.20)	-
	Interest received		5.33	66.40
	Proceeds from fixed deposits/ (investment) in fixed deposits		-	1,500.00
	Net cash flows (used in) investing activities		**1,488.17)**	**856.94**
C)	**Cash flows from/ (used in) financing activities**			
	Proceeds from borrowings		954.70	-
	Net cash flows from/(used in) financing activities		**954.70**	**-**
	Net (decrease)/ increase in cash and bank balances		**(494.74)**	**554.38**
	Cash and bank balances at the beginning of the year		741.80	187.42
	Cash and bank balances at the end of the year		**247.07**	**741.80**

Reconciliation of cash and bank balances as per the cash flow statement:

		March 31, 2024	March 31, 2023
Cash and bank balances	9	247.07	741.80
Balances as per statement of cash flows		**247.07**	**741.80**

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No.: 105102W

Amit Mahadik
Partner
Membership No:125657

Date : 26/04/2024

Place: Pune

For and on behalf of the Board of Directors of Enernxt Private Limited

Bhavesh Chheda
Director
DIN: 08558510

Deodatta Deshpande
Director
DIN: 09019737

Kajal Kabra
Company Secretary

Deepak Joshi
Chief Financial Officer

Date : 26/04/2024

Place: Pune

Notes to financial statements for the year ended March 31, 2024

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

1. Corporate information

Enernxt Private Limited ('the Company') is a private limited Company incorporated and domiciled in India. The address of the registered office is Thermax House, 14, Mumbai Pune Road, Wakdewadi, Pune.

During the Financial Year 2022-23, the company has obtained regulatory approvals (11 out of 17 Approvals) from Government authorities for setting up the plant. Balance 6 approvals shall be received in due course before Plant start commissioning. Temporary Construction Power has been obtained & Permanent Power for Plant operation shall be available from June'24. Construction of the plant is under progress. Plant commissioning is delayed, as we are facing technical challenges, and our technology partner is working on the challenges.

The decision to set up its first Bio CNG plant in Punjab is to partially address the perennial problem of rice stubble burning in Punjab causing pollution issues in North India every year.

The company, in line with its green energy initiative, will set up more such Bio CNG plants in future. With the increased attention on climate change and planned progressive renunciation of coal and other fossil fuels, the market for agro-waste based CNG solutions is expected to grow steadily.

The Board of Directors is authorized to issue these financial statements on Apr 26, 2024. The CIN of the Company is U40107PN2021PTC197447.

2. Significant accounting policies

2.1. Basis of preparation, measurement and transition to Ind AS

(a) Basis of preparation

These financials statements are prepared in accordance with Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act,2013 ('the Act') (to the extent notified) and the guidelines issued by the securities and exchange board of India (SEBI).The IND AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules,2016 and 2017.

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies.

(b) Basis of measurement

These financials statements are prepared in accordance with Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act,2013 ('the Act') (to the extent notified) and the guidelines issued by the securities and exchange board of India (SEBI).The IND AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules,2016 and 2017.

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies.

2.3 Summary of significant 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 the normal operating cycle
- 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 the normal operating cycle.
- 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 Company classifies all other liabilities as non-current.

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

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

b. 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

Initial Recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables.

All financial liabilities are recognized 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.

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

c. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

d. Earnings per Share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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 equities shares outstanding during the year.

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

e. Revenue from Sale of goods

The Company recognizes 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, physical possession, and the customer acceptance in determining the point in time where control has been transferred.

f. Interest Income

Interest income is recognized when it is probable that economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

g. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 and the same taxation authority.

h. Property, Plant and Equipment

Property, plant and equipment (PPE) is 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 capitalized. Subsequent costs/replacement costs are included in the asset's carrying amount or recognized 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 derecognized. All other repairs and maintenance 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.

I. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are incurred 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.

3. Significant accounting judgments, estimates and assumptions.

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4 Property, plant and equipment

Particulars	Freehold Land	Total	Capital work in progress
Gross carrying amount as at April 01, 2022	**439.90**	**439.90**	**-**
Additions	1.08	1.08	708.38
Disposals	-	-	
Gross carrying amount as at March 31, 2023	**440.98**	**440.98**	**708.38**
Additions	-	-	2,084.69
Disposals	-	-	-
Gross carrying amount as at March 31, 2024	**440.98**	**440.98**	**2,793.07**
Net Block as at March 31, 2024	**440.98**	**440.98**	**2,793.07**
Net Block as at March 31, 2023	**440.98**	**440.98**	**708.38**

CAPITAL WORK-IN-PROGRESS ('CWIP')

Ageing of Capital work in progress (CWIP) :

CWIP		Amount in CWIP for a period of			Total
		Less than 1 year	1-2 years	2-3 years	
Project in progress	March 31, 2024	**2,084.69**	708.38	-	**2,793.07**
	March 31, 2023	**708.38**	-	-	**708.38**

Notes to financial statements for the year ended March 31, 2024

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

Bio CNG project is delayed and will be commercial from Sept-24 below is the status of CWIP.

CWIP	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Bio CNG	2,793.07	-	-	-

The above capital work in progress consist of Bio CNG project which become overdue as compared to its original plan and expect to complete by Sept 2024.

5 Investments

Particulars	Amount	
	March 31, 2024	March 31, 2023
Investments at Fair value through Profit and Loss		
Liquid/ Liquid Plus and Duration funds (Quoted)	-	-
Units of Mutual Funds (Quoted)	5.20	-
Total current investments	**5.20**	**-**

Investments at fair value through profit or loss reflect investment debt securities. Refer note 31 (b) for determination of their fair values.

6 Other Financial assets

Particulars	Non -current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good				
At amortized cost				
Interest accrued on bank deposits and others	-	-	0.22	0.14
Total		**-**	**0.22**	**0.14**

7 Income Taxes

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

Statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Current tax	-	2.08
Adjustments in respect of Current income tax of previous year	(0.37)	-
Deferred tax (income)/ expense (Relating to obligations and reversal of temporary differences)	-	-
Income tax expense reported in the statement of profit and loss	**(0.37)**	**2.08**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023.

Particulars	March 31, 2024	March 31, 2023
Accounting profit before tax	(8.32)	6.98
At India's statutory income tax rate of 26%	(2.16)	1.81
Deferred tax not recognised for current year loss	2.16	0.27
Adjustments in respect of Current income tax of previous year	(0.37)	-
Effective tax	(0.37)	2.08
Income tax expense reported in the statement of profit or loss	**(0.37)**	**2.08**

Deferred tax

Balance sheet

Particulars	March 31, 2024	March 31, 2023
Deferred tax relates to the following :		
Others (impact on account of temporary differences)	6.31	6.31
Net deferred tax assets	**6.31**	**6.31**

Reconciliation of deferred tax assets

The Company 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.

8 Other current assets

Particulars	March 31, 2024	March 31, 2023
Unsecured considered good		
Balances with government authorities	391.99	119.23
Advances to suppliers	-	289.15
Prepaid expenses	0.83	1.01
Total	**392.82**	**409.39**

There were no advances due by directors or other 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 any director is a partner or a member.

9 Inventories (valued at lower of cost and net realizable value)

Particulars	March 31, 2024	March 31, 2023
Raw materials	48.66	71.53
Total	**48.66**	**71.53**

10 Cash and bank balances

Particulars	March 31, 2024	March 31, 2023
Balances with banks		
- on current accounts	237.07	231.80
- in deposits with original maturity of less than three months	10.00	510.00
Total	**247.07**	**741.80**

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

11 Share Capital

	March 31, 2024	March 31, 2023
Authorized shares (Nos)		
2,50,00,000 equity shares of Rs. 10/- each.	2,500.00	2,500.00
	2,500.00	**2,500.00**
Issued, subscribed and fully paid share capital (Nos)		
2,36,30,000 equity shares of Rs. 10/- each.	2,363.00	2,363.00
Total issued, subscribed and fully paid-up share capital	**2,363.00**	**2,363.00**

Notes to financial statements for the year ended March 31, 2024

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

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

	No. of shares	Rs.
Equity share of Rs. 10 each issued, subscribed and fully paid		
As at March 31, 2022	23,630,000.00	2,363.00
Changes during the year	-	-
As at March 31, 2023	23,630,000.00	2,363.00
Changes during the year	-	-
As at March 31, 2024	**23,630,000.00**	**2,363.00**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 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 share capital held by holding company

	March 31, 2024	March 31, 2023
Thermax Onsite Energy Solutions Limited		
2,36,29,999 equity shares of Rs. 10/- each fully paid up	2,363.00	2,363.00

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

	March 31, 2024	March 31, 2023
Thermax Onsite Energy Solutions Limited		
%	100	100
No. of shares	23,629,999	23,629,999

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.

12 Other Equity

	March 31, 2024	March 31, 2023
Reserves and Surplus		
Retained earnings		
Opening balance	(1.63)	(6.53)
Add: Profit for the year	(7.95)	4.90
Movement during the year	(7.95)	4.90
Items of other comprehensive income recognised directly in retained earnings:		
Net surplus in the statement of profit and loss	**(9.58)**	**(1.63)**
Total	**(9.58)**	**(1.63)**

13 Borrowings

	Non -current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
At amortized cost				
Secured				
Loan from banks (refer note a below)^	103.05	-	851.65	-
Less : Current maturities of long term borrowings	-	-	-	-
Total	**103.05**	**-**	**851.65**	**-**

^ Loan Taken from HSBC bank for construction of plant at Payal.

^Loan from bank carries an effective interest rate ranging between 8.63% - 9.23% (March 31 2023 , NA) The loan has been availed for 48 months and it is repayable in 48 monthly instalments along with interest, from the date the moratorium period ends. The loan has a moratorium period of 12 months for repayment of principal. The loan is secured by first charge on plant and machinery (property, plant & equipment, and inventory work in progress).

14 Trade payables

	March 31, 2023	March 31, 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises^	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	
(i) Related Parties	-	-
(ii) Other	18.60	8.05
Total	**18.60**	**8.05**

For terms and conditions with related parties, refer note 30.

Trade payables are non-interest bearing and are normally settled on credit terms of 7 to 60 days.

The ageing of current trade payables which are due for payment :

Particulars	Not Due	Unbilled	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	
As at March 31, 2024							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	18.60	-	-	-	18.60

The ageing of current trade payables which are due for payment :

Particulars	Not Due	Unbilled	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	
As at March 31, 2023							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	1.80	6.25	-	-	-	**8.05**
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iii) Disputed dues- Others	-	-	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2024

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

15 Other financial liabilities

	Non -current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
At amortized cost				
Payables for property, plant & equipments	-	-	596.11	-
Total	**-**	**-**	**596.11**	**-**

16 Other liabilities

	Non -current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Statutory dues payable**	-	-	12.92	12.63
Total	**-**	**-**	**12.92**	**12.63**

** includes tax deducted at source

19 Earnings per share

	March 31, 2024	March 31, 2023
Net profit after tax attributable to the equity shareholders (Rs. In lacs)	(7.95)	4.90
Weighted average number of equity shares of Rs.10/- each	23,630,000	23,630,000
Basic and diluted EPS	**(0.03)**	**0.02**

20 Revenue from operations

a) Revenue from contracts with customers:

	March 31, 2024	March 31, 2023
Other operating revenue		
Sale of Traded Good	19.47	-
	19.47	**-**
Revenue from operations (Net)	**19.47**	**-**

21 Other income

	March 31, 2024	March 31, 2023
Interest income from financial assets at amortised cost		
Bank deposits	5.05	52.97
Others	0.16	0.06
Fair value gain on financial instrument at fair value through profit and loss (net)	0.20	-
Total	**5.41**	**53.03**

22 Cost of raw materials consumed/purchased

	March 31, 2024	March 31, 2023
Inventories at the beginning of the year	**71.53**	**-**
Add: Purchases	(71.53)	-
	-	**-**
Inventories at the end of the year	48.66	71.53
	(48.66)	**(71.53)**
Total	**-**	**-**

23 Changes in inventories

	March 31, 2024	March 31, 2023
Inventories at the beginning of the year	71.53	-
Inventories at the end of the year	48.66	-
Changes in inventories of traded goods	**22.87**	**-**

24 Employee benefits expense

	March 31, 2024	March 31, 2023
Salaries,wages and bonus	49.43	34.74
	49.43	34.74
Less: capitalised during the year	(49.43)	
Total	**-**	**34.74**

25 Other expenses

	March 31, 2024	March 31, 2023
Rent	4.32	2.32
Insurance	0.76	0.12
Travelling and conveyance	-	2.64
Legal and professional fees (includes payment to Auditor (refer note (b))	5.25	2.36
Bad debts/ advances written off	-	1.00
Miscellaneous expenses	8.71	2.87
	19.04	**11.31**
Less: capitalised during the year	(8.71)	-
Total	**10.33**	**11.31**

(b) Payment to auditors

	March 31, 2024	March 31, 2023
As auditor:		
Audit fees	2.00	2.00
Total	**2.00**	**2.00**

20 Related party disclosures

A Names of related parties and related party relationship:

Related parties where control exists

I Ultimate Holding Company

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	RDA Holdings Private Limited	India

II Holding Company

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Onsite Energy Solutions Limited	India

Notes to financial statements for the year ended March 31, 2024

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

B Related parties with whom transactions have taken place during the year :

Sr. No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Limited	India
2	Thermax BioEnergy Solutions Private Limited	India
3	Thermax Onsite Energy Solutions Limited	India

c Key Management Personnel:

1	Mr. Bhavesh Chheda - Director
2	Mr. Deodatta Deshpande - Director
3	Ms. Khushboo Bhatia - Director
4	Mr. Deepak Joshi - Chief Financial Officer
5	Ms. Kajal Kabra - Company Secretary
6	Mr. Ramkumar S- Manager

D Transactions with related parties:

	Holding Company		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
a. Transactions during the year				
Recovery of expenses	-	-	-	-
Reimbursement of expenses	70.88	51.28	70.88	51.28
Purchase of property, plant and equipment	213.15	752.26	213.15	752.26
b. Balances as at reporting date				
Purchase of property, plant and equipment	178.02	-	178.02	-
Reimbursement of expenses	39.86	-	39.86	-

E Related party transactions include transactions pertaining to the following parties with whom the transactions are considered to be individually significant.

	March 31, 2024	March 31, 2023
Transactions during the year		
Reimbursement of expenses		
Thermax Onsite Energy Solutions Limited, India *	49.29	43.94
Thermax Limited, India		7.34
Thermax BioEnergy Solutions Private Limited	21.59	
Purchase of property, plant and equipment		
Thermax Limited, India	213.15	752.26

* These amounts have been reimbursed to the Holding company.

	March 31, 2024	March 31, 2023
Balances as at the year end		
Other amounts Payable		
Thermax Onsite Energy Solutions Limited, India	18.27	-
Thermax BioEnergy Solutions Private Limited	21.59	-
Capital Credtors		
Thermax Limited, India	178.02	-

F Terms and conditions of related party transactions

The sales to 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 and settlement occurs in cash.

There have been no guranatees provided or received for any related party receivables or payables. For the year ended March 31, 2024 and March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

31 Fair value measurements

(a) Category of financial instruments and valuation techniques

Details of financial assets carried at amortised cost

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Other financial assets	5	0.22	0.14
Cash and bank balances	9	247.07	741.80
Total financial assets		**247.29**	**741.94**
Current Assets		247.29	741.94
Total financial assets		**247.29**	**741.94**

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

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Financial assets			
Investments		5.20	-
Total financial assets		**5.20**	**-**
Current assets		5.20	-
Total financial assets		**5.20**	**-**

Details of financial liabilities carried at amortised cost

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Borrowings		954.70	-
Trade payables	12	18.60	8.05
Capital creditors		596.11	-
Total financial liabilities		**1,569.42**	**8.05**
Current liabilities		717.76	8.05
Non-current liabilities		851.65	-
Total financial liabilities		**1,569.42**	**8.05**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

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
Financials Assets				
Investment		5.2		
Mutual Fund	31-March-2024	5.20	-	-

32 Financial risk management

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Interest accrued on bank deposits and cash and bank balances.

Notes to financial statements for the year ended March 31, 2024

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's financial risk activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

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.

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 from its financing activities, including deposits with banks and financial institutionsand other financial instruments.

Financial instruments and bank deposits

Credit risk from balances with banks and financial institutions is managed by the group treasury department in accordence with the Thermax group policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and bank balances, the basis of expected cash flows. This is generally carried out by the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the company operates.

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity profile on their contractual maturities for :

March 31, 2024	Note No.	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	15	-	616.36	338.34	-
Trade Payables	12	18.60	-	-	-
Capital Creditors		596.11	-	-	-

March 31, 2024	Note No.	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings		-	-	-	-
Trade Payables		8.05	-	-	-

*Represents contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the balance sheet because the balance sheet amount is based on discounted cash flows.

33 Capital Management

The Company's objective for capital management is to maximise 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 Parent Company.

	March 31, 2024	March 31, 2023
Borrowings	954.70	-
Trade payables	18.60	8.05
Less: Cash and bank balances	247.29	741.94
Net debt	**726.01**	**(733.89)**
Equity	2,353.42	2,361.37
Capital and net debt	**3,079.43**	**1,627.48**
Gearing ratio	**23.58%**	**-45.09%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

34 Segment information

Revenue by geographical segment

The company has not started it's operations yet, thus no revenue from sales are generated during the year.

Carrying amount of non current assets

Particulars	March 31, 2024	March 31, 2023
Revenue from external customer (gross)		
India	19.47	-
Outside India	-	-
Total	**19.47**	**-**

Carrying amount of non current assets

Particulars	March 31, 2024	March 31, 2023
Carrying amount of non current assets		
Assets within India	440.98	440.98
Total	**440.98**	**440.98**

Addition to non current assets

Particulars	March 31, 2024	March 31, 2023
Assets within India	-	1.08
Assets outside India	-	-
Total	**-**	**1.08**

35 Key financial ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	Variance	Reason for variance
Current Ratio	Current assets	Current liabilities	0.95	59.30	-98.40%	Due to increase current liability on account of capital creditors
Debt-Equity Ratio	Total debt i.e. Borrowings (Current+Non current)	Shareholder's equity	0.3619	-	-	There were no debt in last year and current year company raise debt hence 100% change in Ratio.
Return on equity ratio	Profit after tax	Average shareholder's equity	-0.0034	0.00	-262.73%	The company is not in operation, last year, we had a surplus fund which was parked in FD, fetching interest income. In the current year, we deployed all funds in capex, hence the ratio deteriorated.
Return on Investment	Unrealised Gain	Initial Investment	0.04	-	-	There were no mutual fund investment in last year.
Return on capital employed (ROCE)	Profit before tax + finance cost	Capital employed	-0.00	0.00	0.30%	There is no substantiable FD income in current year compare to last year hence ratio is on lower side.

35 (b) The Company uses various accounting applications for maintaining their books of account. Out of these applications, the Company has made an assessment to identify the accounting software that are required to comply with requirements regarding audit trail (edit log) facility and allied requirements.

As per the above assessment, the Company uses a 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 transactions including master data and direct changes to data using certain privileged access rights for the application and/or the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of accounting software wherever these elements are enabled.

The Company is in the process of assessing the above and will take appropriate measures to comply with the regulations.

36 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 Mar 31,2024

Name of Struck off Companies	Nature of Transaction	Transaction during the year	Balance oustanding at the year end	Relationship with the struck off company if any to be disclosed
-	-	-	-	-

37 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 alongwith the logs of the back-up of such books of account. However, the backup of certain books and records pertaining to employee reimbursement system maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No.: 105102W

Amit Mahadik
Partner
Membership No:125657

Date : 26 April 2024

Place: Pune

For and on behalf of the Board of Directors of
Enernxt Private Limited

Bhavesh Chheda
Director
DIN: 08558510

Deodatta Deshpande
Director
DIN: 09019737

Kajal Kabra
Company Secretary

Deepak Joshi
Chief Financial Officer

Date : 26 April 2024

Place: Pune

First Energy TN 1 Private Limited

Board of Directors
Mitish Somani (Upto April 05, 2024)
Ravi Damaraju
Anjali Lothe
Sanjay Parande
Ashok Joshi

Registered Office
Thermax House,
14, Mumbai – Pune Road, Wakdewadi,
Pune – 411003

Auditors
Price Waterhouse & Co.
Chartered Accountants LLP
7th Floor, Business Bay, Tower A,
Wing -1, Airport Road,
Yerwada, Pune 411006

Key Managerial Personnel
Ravi Damaraju, WTD
Mitish Somani, CFO (Upto April 05, 2024)
Sampada Sakhare, CS
Sumit Rathi, CFO (w.e.f May 02,2024)

Bankers
ICICI Bank

Corporate Office
Unit No. 601, 6th Floor,
Cello Platina, F.C. Road,
Shivajinagar, Pune 411005

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure in presenting the Second Annual Report, together with the audited financial statements of your Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total income	899.32	222.73
Profit before finance cost, depreciation, and tax	815.96	97.58
Finance Cost	527.42	125.26
Profit before depreciation and tax	288.54	(27.68)
Depreciation and impairment	310.56	69.52
Profit/(Loss) before tax	(22.02)	(97.20)
Provision for taxation (incl. deferred tax)	33.83	-
Items that are not to be reclassified to profit or loss	-	-
Profit/(Loss) after tax	(55.85)	(97.20)

State of Company's Affairs

The Company's Solar plant of 16MWp is in stable operation since commissioning in December 2023. The Company is in the process of carrying out a minor expansion of the project.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

In a view of accumulated losses, the directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the company has not transferred any amount to the General Reserve.

Share Capital

During the year there were no changes in the capital structure of the Company. The Paid-up Share Capital of the Company is Rs. 22,00,00,000 divided into 2,20,00,000 Equity shares of Rs.10 each. The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity during the year.

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

The details of loans and investments covered under the provisions of section186 of the Companies Act, 2013, are given in the notes to the Financial Statements. During the year, the Company did not give any guarantee.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors, or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Renewable Energy business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involves risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also contracts competent local infra partners having experience and capability.

- **Renewable Sources and Grid Availability**

  The risk identified by the Company is lower generation on account of lower radiation, wind speed, and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources and accordingly sizes the plant and the financial models for arriving at the right tariff for the available conditions. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk results in revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using waterless robotic technology for cleaning modules and therefore manpower dependency is reduced.

The Board at its meetings periodically reviews and monitors these risks and their mitigation plan.

Health and Safety

Across all its operational assets, sites, and offices, the company implements policies that cover Health and safety. The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt –Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - SE training including, Visitor Induction, Safety Induction, and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors & Key Managerial Personnel

During the year, the appointment of Mr. Sanjay Parande (DIN: 07161299) and Mr. Ashok Joshi (DIN: 02296952), Additional Independent Directors of the Company was regularized in the Annual General Meeting held on July 27, 2023.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms. Anjali Lothe (DIN: 10134848) retires by rotation and being eligible offers, herself for re-appointment. The proposal of re-appointment forms part of the Notice of the Second AGM of the Company.

During the year, there were no changes in the Key Managerial Personnel(s) of the Company.

Policy on appointment and remuneration of directors and key managerial personnel

The Board has adopted a policy on the selection and appointment of Directors and remuneration of Directors, KMPs, and employees. The Directors do not receive any remuneration except independent directors who are entitled to sitting fees as approved by the Board for each Board/Committee meeting attended. A detailed policy is annexed herewith as Annexure 1 and forms part of this report.

Declaration by Independent Directors

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and have also confirmed that their names have been added to the data bank maintained by the Indian Institute of Corporate Affairs for independent directors, in accordance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, every individual whose name is so included in the data bank shall pass an online proficiency self-assessment test. However, an individual who has fulfilled the criteria prescribed in Rule 6(4) of the said Rules, is exempted from passing the online proficiency self-assessment test. In view of the same, Mr. Sanjay Parande, having met the aforesaid criteria, was exempted from the proficiency self-assessment test and Mr. Ashok Joshi has passed the proficiency self-assessment test.

The Board is of the opinion that the Directors of the Company are eminent persons with integrity and have necessary expertise and experience to continue to discharge their responsibilities as Directors of the Company.

Board Meetings

During the year, the Board met four times on May 9, 2023, July 25, 2023, October 25, 2023, and January 29, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Independent directors meeting

During the year under review, the independent directors met once on January 29, 2024, where all independent directors were present inter alia to review the performance of the Board and non-independent directors of the Company.

Committees of the Board

The Board has constituted the following committees viz. Audit Committee and Nomination and Remuneration Committee.

<u>Audit Committee</u>

The Audit Committee of the Board of Directors was constituted on December 23, 2022. The committee comprises of all directors being non-executive directors viz Mr. Sanjay Parande as the Chairman and Mr. Ashok Joshi & Mr. Mitish Somani as members of the committee. The committee met four times during the year on May 09, 2023, July 25, 2023, October 25, 2023, and January 29, 2024. Further, all the recommendations made by the audit committee were accepted by the Board.

<u>Nomination and Remuneration Committee</u>

The Nomination & Remuneration Committee of the Board of Directors was constituted on December 23, 2022. The committee comprises of all directors being non-executive directors viz Mr. Ashok Joshi as the Chairman and Mr. Sanjay Parande & Mr. Ravi Damaraju as members of the committee. The committee met twice on May 09, 2023, and January 29, 2024.

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 judgment 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 and loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

During the year, RPTs were placed before the Board/ACM for noting purposes. A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Conservation of energy and technological absorption

The Company is in the business of renewable energy. The Company aims to conserve the environment by bringing about significant change in methods of using energy through the application of Solar, Wind and associated Renewable energy generation sources for commercial & industrial customers. As a part of its "Build-Green" initiatives, the Company has installed solar powered Robots to clean the solar modules at the Opex projects thus ensuring waterless cleaning.

In the case of Technology absorption, the Company used high rated (540 & 550Wp) Monoperc PV modules with better efficiency. The structure is designed with the provision of Seasonal Tilting.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the company is a Subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the roll of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

There are no significant or material orders passed by the Regulators / Courts.

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of the Companies Act, 2013 as of March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing employees with a safe and conducive work environment. It has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013. No cases were pending at the beginning of the year/ filed during the year, according to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of onetime settlement with any Bank or Financial Institution.

Auditors

M/s Price Waterhouse Chartered Accountants LLP, (Firm Registration Number. 012754N/N500016) were appointed as Statutory Auditors of the Company for a period of Five year from the conclusion of the 1st Annual General Meeting (AGM) till the conclusion of the 6th AGM. The Auditors' Report for FY 2023-24 does not contain any qualification, reservation, or adverse remark.

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions:

a. High Tension tariffs upward revision was made w.e.f. 1st July 2023. This enhances captive savings for captive consumers. This hike shall be effective in every financial year on the 1st of July, based on Consumer Price Index (CPI) based inflation or 6% whichever is lower. This has a positive impact on the business of the Company.

b. Deviation Settlement Mechanism (DSM) has been notified for solar and wind plants in the state. Renewable Energy plants shall schedule day-ahead power injection. In case of deviation in prescribed bands, there are commercial implications, effective 1st April 2024. The Company is required to financially provide for the commercial implications towards these payments.

c. The Hon'ble Supreme Court vide order dated 9th Oct 2023, has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, a minimum of 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work, and support.

For and on behalf of the Board of Directors of

First Energy TN 1 Private Limited

Anjali Lothe	**Ravi Damaraju**
Director	Director
DIN: 10134848	DIN - 09554649

Pune, May 02, 2024

Annexure - 1

Policy on Selection and Appointment of Directors and Remuneration of Directors, KMPs and Employees

The Nomination & Remuneration Committee (NRC) has prepared a “Terms of Reference” (TOR), which, inter alia, deals with laying down the criteria for the selection of Non-Executive Directors (NEDs), based on the requirements of the organization, including the qualifications, and determining the independence of Directors. The NRC has also laid down the criteria for the evaluation of the performance of the Board and guidelines for determining the remuneration of Directors. This Policy is based on the above TOR of NRC:

(1) Criteria for selection and appointment of Directors:

(a) The Director shall have relevant expertise and experience commensurate with the requirements of the Company to discharge the duties as a Director.

(b) While selecting a director, the emphasis be given to the qualifications, experience, and personal and professional standing of the incumbent.

(c) Assess the independence and nature of the appointment as Director vis-à-vis any conflict-of-interest w.r.t. any pecuniary relationship and procure necessary declaration.

(d) The Director is not disqualified for appointment u/s. 164 of the Companies Act, 2013.

(e) In the event of re-appointment of the Director, due emphasis be given to the performance evaluation of the Director during his tenure.

(2) Remuneration:

The remuneration payable to Directors shall be in accordance with Sec. 197 of the Companies Act, 2013 and other applicable provisions & rules made thereunder from time to time.

The Directors shall also be eligible to receive reimbursement of expenses for participation in the Board and Committee Meetings.

The Independent Directors shall be entitled to receive remuneration by way of sitting fees for attending the meetings of the Board as well as the Committees.

(3) Criteria for selection of MD, WTD & CEO:

For selection of the MD, WTD and CEO, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendations, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria regarding age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

(4) Remuneration for MD, WTD & CEO:

i. At the time of appointment or re-appointment, the Managing Director (MD), Whole Time Director (WTD) and Chief Executive Officer (CEO) shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the MD, WTD and CEO within the overall limits prescribed under the Companies Act, 2013.

ii. The remuneration shall be subject to the approval of the Members of the Company in the General Meeting.

iii. The remuneration of the MD, WTD and CEO is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises a performance bonus.

iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure/consider the following:

a. the relationship of remuneration and performance benchmarks is clear.

b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.

c. responsibility required to be shouldered by the MD, WTD and CEO, the industry benchmarks, and the current trends.

d. the Company’s performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

(5) Remuneration Policy for Senior Management, KMPs and employees:

The NRC, while determining the remuneration of Senior Management/employees and KMPs shall ensure the following:

(i) The remuneration is divided into Fixed component & Variable Component.

(ii) The division is based on the fixed salary and performance bonuses.

(iii) The division between fixed and variable is based on the roles & responsibilities, the Company’s performance vis-à-vis KRA & KPIs, industry benchmark and current compensation trends in the market.

Based on the Annual Business Plan prepared, Individual Contribution Plan (ICP) is prepared by the Senior Management which is agreed upon. It broadly contains certain targets for strategic objectives, operational excellence-oriented initiatives, and business deliverables. The actual performance of individual repartee will be discussed by the MD and CEO at the year’s end. Based on the appraisal and overall performance of the Company and after considering the market trends, suitable increments/variable pay shall be decided by the MD and CEO.

The MD & CEO will present a snapshot of the evaluation carried out to assess the performance of the Whole-time Director, while recommending the annual increment of the NRC, for its review and approval.

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy TN 1 Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of First Energy TN 1 Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

10. 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.

Report on other legal and regulatory requirements

11. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) 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.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 29(viii) to the 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, as disclosed in the Note 29 (viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the year.

        vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

13. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJCX8424
Place : Pune
Date : May 8, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of First Energy TN 1 Private Limited on the financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of First Energy TN 1 Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. 6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. 8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN : 24134593BKFJCX8424
Place : Pune
Date : May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of First Energy TN 1 Private Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 11 to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has utilised funds raised on short-term basis aggregating Rs. 570.88 lakhs for long-term purposes.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year and had incurred cash losses of Rs. 27.68 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN : 24134593BKFJCX8424
Place : Pune
Date : May 8, 2024

First Energy TN 1 Private Limited

Balance Sheet as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	7,282.09	7,391.97
Capital work-in-progress	3	211.07	-
Financial assets			
(a) Other financial assets	4(a)	150.20	-
Income tax assets (net)	5(a)	0.50	1.88
Other non-current assets	6(a)	339.84	-
Total non-current assets		**7,983.70**	**7,393.85**
Current assets			
Financial assets			
(a) Trade receivables	7	48.24	75.81
(b) Cash and cash equivalents	8(a)	13.73	185.49
(c) Bank balance other than (b) above	8(b)	28.61	-
(d) Other financial assets	4(b)	147.82	120.20
Other current assets	6(b)	19.19	18.99
Total current assets		**257.59**	**400.49**
Total Assets		**8,241.29**	**7,794.34**
Equity and Liabilities			
Equity			
Equity share capital	9	2,200.00	2,200.00
Other equity	10	(178.12)	(122.27)
Total equity		**2,021.88**	**2,077.73**
Liabilities			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	11(a)	5,145.15	5,158.05
Deferred tax liability (net)	5(b)	33.83	-
Total Non-current liabilities		**5,178.98**	**5,158.05**
Current liabilities			
Financial liabilities			
(a) Borrowings	11(b)	958.96	296.40
(b) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises	12	1.98	1.00
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	27.13	102.33
(c) Other financial liabilities	13	51.41	146.54
Other current liabilities	14	0.95	12.29
Total current liabilities		**1,040.43**	**558.56**
Total equity and liabilities		**8,241.29**	**7,794.34**

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

Statement of profit and loss for the period ended March 31, 2024

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

Particulars	Note No	For the Year ended March 31, 2024	January 29, 2022 to March 31, 2023
Revenue from operations	15	834.69	186.32
Other income	16	64.63	36.41
Total Income		**899.32**	**222.73**
Expenses			
Finance costs	17	527.42	125.26
Depreciation expense	18	310.56	69.52
Other expenses	19	83.36	125.15
Total expenses		**921.34**	**319.93**
Loss before tax		**(22.02)**	**(97.20)**
Income Tax expense			
Current tax		-	-
Deferred tax	5	33.83	-
Total tax expense		**33.83**	**-**
Loss for the year		**(55.85)**	**(97.20)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(55.85)**	**(97.20)**
Loss per equity share			
Basic & Diluted [nominal value per share ₹ 10/-]	20	**(0.25)**	**(0.44)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy TN 1 Private Limited

Anjali Lothe
Director
DIN : 10134848

Ravi Damaraju
Director
DIN : 09554649

Sampada Sakhare
Company Secretary

Sumit Rathi
Chief Financial Officer

Place: Pune
Date: May 2, 2024

Statement of Cash flows for the year ended March 31, 2024

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

	Particulars	For the Year ended March 31, 2024	January 29, 2022 to March 31, 2023
A)	**Cash flows from operating activities**		
	Loss before tax	(22.02)	(97.20)
	Adjustments for		
	Depreciation expenses	310.56	69.52
	Finance cost	527.42	125.26
	Interest income from financial assets at amortised cost	(5.21)	(19.59)
	Working capital adjustments		
	(Increase)/decrease in trade receivables	27.57	(75.81)
	(Increase) in other financial assets	(27.62)	(120.20)
	(Increase) in other assets	(3.83)	(18.96)
	Increase/(decrease) in trade payables	(74.21)	103.33
	Increase/(decrease) in other liabilities	(11.36)	12.29
	Cash generated from/(used in) operations	**721.30**	**(21.36)**
	Net direct taxes paid/received	1.38	(1.88)
	Net cash generated from/(used in) operating activities	**722.68**	**(23.24)**
B)	**Cash flows from investing activities**		
	Payment for property, plant and equipment	(849.95)	(7,224.46)
	Fixed deposits placed with Banks	(178.80)	-
	Interest received	5.24	19.56
	Net cash flows used in investing activities	**(1,023.51)**	**(7,204.90)**
C)	**Cash flows from financing activities**		
	Proceeds from borrowings	926.00	5,554.00
	Transaction cost for availing borrowing	-	(53.91)
	Repayment of borrowings	(276.34)	(45.64)
	Proceeds from issue of Equity shares	-	2,200.00
	Cost related to issue of Own Equity Instruments	-	(25.07)
	Interest paid on borrowing	(507.72)	(125.26)
	Interest paid and capitalised in Property, plant and equipment	(12.87)	(90.49)
	Net cash flows from financing activities	**129.07**	**7,413.63**
	Net increase/(decrease) in cash and cash equivalents	**(171.76)**	**185.49**
	Cash and cash equivalents at the beginning of the financial year/period	185.49	-
	Cash and cash equivalents at the end of the financial year/period	**13.73**	**185.49**

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

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents (refer note no.8)	13.73	185.49
Balances as per statement of Cash flow	**13.73**	**185.49**

Notes:

i) Statement of Cash Flows has been prepared under the “Indirect Method” in accordance with ‘IND AS 7 : Statement of Cash Flows’.

ii) Refer Note 11(b) for Net debt reconciliation

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy TN 1 Private Limited

Anjali Lothe
Director
DIN : 10134848

Ravi Damaraju
Director
DIN : 09554649

Sampada Sakhare
Company Secretary

Sumit Rathi
Chief Financial Officer

Place: Pune
Date: May 2, 2024

First Energy TN 1 Private Limited

Statement of changes in equity as at March 31, 2024

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

A. Equity Share Capital

Particulars	Amount
As at January 29, 2022	**-**
Issue during the period	2,200.00
As at March 31, 2023	**2,200.00**
Issue during the year	-
As at March 31, 2024	**2,200.00**

B Other Equity

Particulars	Retained Earnings	Total
As at January 29, 2022	-	-
Loss for the period	(97.20)	(97.20)
Other comprehensive income for the period	-	-
Total Comprehensive Loss for the year	**(97.20)**	**(97.20)**
Cost related to issue of own equity instruments	(25.07)	(25.07)
As at March 31, 2023	**(122.27)**	**(122.27)**
Loss for the year	(55.85)	(55.85)
Other comprehensive income for the year	-	-
Total Comprehensive Loss for the period	**(55.85)**	**(55.85)**
As at March 31, 2024	**(178.12)**	**(178.12)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy TN 1 Private Limited

Anjali Lothe
Director
DIN : 10134848

Ravi Damaraju
Director
DIN : 09554649

Sampada Sakhare
Company Secretary

Sumit Rathi
Chief Financial Officer

Place: Pune
Date: May 2, 2024

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

1. Corporate information

First Energy TN 1 Private Limited ("the Company") is a private limited company domiciled in India and incorporated on January 29, 2022 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of solar power by using solar cells including developing, building and solar power projects.

The address of the Company's registered office is 14, Thermax House, Old Mumbai-Pune Highway, Wakdewadi, Pune – 411003, India. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U40108PN2022PTC208074.

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments);

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12
- The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Summary of material accounting policies

a. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from Sale of power

Revenue from sale of power is recognised at transaction price and over time for each unit of electricity delivered at the contracted rate. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

At the end of each reporting period, the Company updates the estimated transaction price to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. The Company accounts for such changes in the transaction price (including claims). Consideration / claim payable to a customer includes cash amounts that an entity pays to the customer. The Company accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. The consideration payable to a customer includes a variable amount.

Trade receivables: 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). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	10 to 25	10 to 15
Building	3	3

c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

2.4. Summary of other accounting policies

a. 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

All financial assets (excluding trade receivables which do not contain a significant financing component) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 derecognized 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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurementt

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Property, plant and equipment (PPE)

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

d. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

g. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

h. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

i. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

j. Segment reporting

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 been identified as the chief operating decision maker of the Company.

k. Contingent liabilities

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.

l. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

m. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

ii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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 over the useful life of assets as approved by the

Notes to the Financial Statements for the year ended March 31, 2024

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

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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

3 Property, Plant and Equipment

Particulars	Land Freehold	Buildings	Solar Power Plant	Total	Capital work-in-progress
Gross carrying amount:					
As at January 29, 2022	-	-	-	-	-
Additions	40.02	3.07	7,418.40	7,461.49	7,461.49
Deductions / transfer	-	-	-	-	7,461.49
As at March 31, 2023	**40.02**	**3.07**	**7,418.40**	**7,461.49**	-
Additions	-	3.59	197.08	200.67	211.07
Deductions	-	-	-	-	-
As at March 31, 2024	**40.02**	**6.66**	**7,615.48**	**7,662.16**	**211.07**
Accumulated Depreciation					
As at January 29, 2022	-	-	-	-	-
For the period	-	0.26	69.26	69.52	-
Deductions	-	-	-	-	-
As at March 31, 2023	-	**0.26**	**69.26**	**69.52**	-
For the year	-	1.63	308.92	310.55	-
Deductions				-	-
As at March 31, 2024	-	**1.89**	**378.18**	**380.07**	-
Net carrying amount:					
As at March 31, 2024	**40.02**	**4.77**	**7,237.30**	**7,282.09**	**211.07**
As at March 31, 2023	**40.02**	**2.81**	**7,349.14**	**7,391.97**	-

See note 11 for information on property, plant and equipment pledged as security by the Company.

Ageing of capital work-in-progress

Particulars/ Projects	As at March 31, 2024				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress					
5 MW Solar project	211.07	-	-	-	211.07
Sub-total	**211.07**	**-**	**-**	**-**	**211.07**

Capital work in progress balances pertained to 5 MW Solar project.

Capitalization of expenses

During the period, the Company has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Reimbursement of Salaries and wages	5.54	138.20
Interest and reimbursement of Interest expenses*	12.87	95.10
Reimbursement of Depreciation*	0.05	11.96
Reimbursement of Other Expenses	0.31	25.80
Total	**18.77**	**271.06**

* Reimbursement of interest and depreciation relates to expenses pertaining to rental property for which right-of-use assets and lease liabilities have been recognised.

4(a) Other financial assets (Non-current)

Particulars	As at March 31, 2024	As at March 31, 2023
Bank deposits with maturity of more than twelve months	150.20	-
Total	**150.20**	**-**

4(b) Other financial assets (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	145.20	120.20
Other receivables	2.62	-
Total	**147.82**	**120.20**

5(a) Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	1.88	-
Add: Taxes paid during the year/ period	0.50	1.88
Less: Amount received during the year	(1.88)	-
Total	**0.50**	**1.88**

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

5 (b) Deferred tax liability (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax asset		-
Losses available for offsetting against future taxable income	591.64	221.47
Others	11.33	0.96
	602.97	**222.43**
Deferred tax liability	-	-
Depreciation on Property, plant and equipment	(636.80)	(222.48)
	(636.80)	**(222.48)**
Total	**(33.83)**	**-**

The Company has tax losses of Nil (March 31, 2023: Rs. 150.99 lakhs) that are available for offsetting for future taxable profits. Deferred tax assets were not recognised in respect of such losses of previous year as they might not be used to offset taxable profits elsewhere in the Company and there were 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 previous year would have increased by Rs 25.91 lakhs

Particulars	Expiry date (Year Ending March 31)	As at March 31, 2023	
		Amount	Tax Impact
Unabsorbed depreciation	No Expiry period	150.99	25.91
		150.99	**25.91**

The income tax expense consists of following:

Particulars	As at March 31, 2024	January 29, 2022 to March 31, 2023
Current tax expense	-	
Deferred tax benefit / (charge)	(33.83)	-
	(33.83)	**-**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	As at March 31, 2024	January 29, 2022 to March 31, 2023
Loss before tax	(22.02)	(97.20)
Income tax rate	17.16%	17.16%
Expected tax expense/(credit)	(3.78)	(16.68)
Losses on which deferred tax asset has not been recognised	-	16.68
Others	(30.05)	-
Total tax expense	**(33.83)**	**-**

6(a) : Other Non-current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	336.24	-
Prepaid expenses	3.60	-
Total	**339.84**	**-**

6(b) : Other Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to suppliers*	5.90	7.01
Balances with government authorities	1.95	-
Prepaid expenses	11.34	11.16
Interest accrued on fixed deposit	-	0.03
Others	-	0.79
Total	**19.19**	**18.99**

*There were no advances due by directors or other 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 any director is a partner or a member.

7. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables		
- Unbilled*	48.24	75.81
- Billed	-	-
Total	**48.24**	**75.81**
Breakup of security details		
Unsecured considered good	48.24	75.81
Trade receivables which have a significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
	48.24	**75.81**
Less: impairment allowance	**-**	**-**
Total	**48.24**	**75.81**

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

*The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration. Refer note 22 for the related party balance.

Trade Receivables ageing:

As at March 31, 2024

Particulars/ Projects	Unbilled	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	48.24	-	-	-	-	-	-	48.24
Total	**48.24**	**-**	**-**	**-**	**-**	**-**	**-**	**48.24**

Notes to the Financial Statements for the year ended March 31, 2024

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

As at March 31, 2023

Particulars/ Projects	Unbilled	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	75.81	-	-	-	-	-	-	75.81
Total	**75.81**	**-**	**-**	**-**	**-**	**-**	**-**	**75.81**

8(a) Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with bank		
- in Current accounts	13.73	35.10
-deposits with original maturity of less than three months	-	150.39
Total	**13.73**	**185.49**

8(b) Other bank balance

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with bank		
-deposits with original maturity of more than three months less than twelve months	28.61	-
Total	**28.61**	**-**

9. Share capital

a) Authorised share capital

Equity shares of ₹ 10 each

Particulars	No. of shares	Amount
As at January 29, 2022	**-**	**-**
Increase during the period	25,000,000	2,500.00
As at March 31, 2023	**25,000,000**	**2,500.00**
Increase during the year	-	-
As at March 31, 2024	**25,000,000**	**2,500.00**

b) Issued, Subscribed and Paid up Share Capital

Equity shares of ₹ 10 each

Particulars	No. of shares	Amount
As at January 29, 2022	**-**	**-**
Changes during the period	22,000,000	2,200.00
As at March 31, 2023	**22,000,000**	**2,200.00**
Changes during the year	-	-
As at March 31, 2024	**22,000,000**	**2,200.00**

c) Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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.

d) Equity shares held by holding company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Holding company				
First Energy Private Limited				
Equity shares of Rs 10 each	1,62,39,998	1,624.00	1,62,39,998	1,624.00

e) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of the Shareholder	As at March 31, 2024	As at March 31, 2023
(i) First Energy Private Limited, India (Promoter)		
% Holding	73.82%	73.82%
No. of shares	1,62,39,998	1,62,39,998
(ii) Magna Electro Castings Limited		
% Holding	6.55%	6.55%
No. of shares	1,440,000	1,440,000
(iii) Elgi Equipments Limited		
% Holding	6.55%	6.55%
No. of shares	1,440,000	1,440,000
(iv) Sundram Fasteners Limited		
% Holding	8.72%	8.72%
No. of shares	1,918,800	1,918,800

(f) Shares held by promoters at the end of the period

Name of Promoter	As at March 31, 2024		As at March 31, 2023		% of change during the year
	Number of shares	% of total number of shares	Number of shares	% of total number of shares	
First Energy Private Limited, India	1,62,39,998	73.82%	1,62,39,998	73.82%	-

10 : Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained Earnings		
Opening Balance	(122.27)	-
Add: Loss for the year	(55.85)	(97.20)
	(178.12)	**(97.20)**
Cost related to issue of Own Equity Instruments	-	(25.07)
Total	**(178.12)**	**(122.27)**

11 (a) : Non-current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans from Bank		
Indian rupee loans from bank*	5,225.11	5,364.45
Less: Current maturities of long-term borrowings (included in current borrowings)	211.96	206.40
	5,013.15	5,158.05
Unsecured Loan		
From holding company	132.00	-
Total	**5,145.15**	**5,158.05**

* After considering unamortised expense of Rs. 33.85 lakhs (March 31, 2023: 53.91 lakhs).

Aggregate secured borrowings	5,013.15	5,158.05
Aggregate unsecured borrowings	132.00	-

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

(a) Loans are measured at amortised cost.

Details	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Indian rupee loan from bank	March 31, 2042	Repayable in 77 structured quarterly installments from March 31, 2023	9.35% (Interest rate is 3M MCLR p.a +0.70% p.a)	4,310.08	4,469.95
Indian rupee loan from bank	June 30, 2042	Repayable in 77 structured quarterly installments from March 31, 2023	9.35% (Interest rate is 3M MCLR p.a +0.70% p.a)	915.03	894.50
Loan from Holding company	November 22, 2025	Repayable in single/multiple tranches along with the accumulated interest thereon.	8.60%	132.00	0.00

(b) Details of security

Indian rupee loans from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the project (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the Company held by the holding company.

11 (b) Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans		
Current maturities of long term borrowings from bank	211.96	206.40
Unsecured loans		
Loan from Holding Company	747.00	90.00
Total	**958.96**	**296.40**
Deferred tax liability (net)		
Aggregate secured borrowings	211.96	206.40
Aggregate unsecured borrowings	747.00	90.00

Unsecured borrowings:

Particulars	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from Holding company	180 days	Repayable in single/ multiple tranches along with the accumulated interest thereon	8.15%	747.00	90.00

Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	(6,104.11)	(5,454.45)
Cash and cash equivalents	13.73	185.49
Other bank balance	28.61	-
Total equity and liabilities	(19.70)	-
Net debt	**(6,081.47)**	**(5,268.96)**

Particulars	Other assets		Liabilities from financing activities	Total
	Cash and bank balance	Other Bank Balances	Borrowings	
Net debt as at January 29, 2022	-	-	-	-
Cash flows	185.49	-	(5,454.45)	(5,268.96)
Interest expenses	-	-	(125.26)	(125.26)
Interest paid	-	-	215.75	215.75
Interest Capitalised	-	-	(90.49)	(90.49)
Net debt as at March 31, 2023	**185.49**	**-**	**(5,454.45)**	**(5,268.96)**
Cash flows	(171.76)	28.61	(649.66)	(792.81)
Interest expenses	-	-	(527.42)	(527.42)
Interest paid	-	-	520.59	520.59
Interest Capitalised	-	-	(12.87)	(12.87)
Net debt as at March 31, 2024	**13.73**	**28.61**	**(6,123.81)**	**(6,081.47)**

During the period, the Company has used all the borrowings for the specific purpose for which they have been obtained.

12. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	1.98	1.00
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related parties	8.17	89.82
ii) Others	18.96	12.51
Total	**29.11**	**103.33**

Ageing schedule for trade payables

As at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	1.58	-	0.40	-	-	-	1.98
(ii) Others	18.96	3.23	4.94	-	-	-	27.13
Total	**20.54**	**3.23**	**5.34**	**-**	**-**	**-**	**29.11**

As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	1.00	-	-	-	-	-	1.00
(ii) Others	102.33	-	-	-	-	-	102.33
Total	**103.33**	**-**	**-**	**-**	**-**	**-**	**103.33**

Notes to the Financial Statements for the year ended March 31, 2024

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

13. Other financial liabilities (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable for Property, plant and equipment	31.71	146.54
Interest accrued but not due on loans	19.70	-
Total	**51.41**	**146.54**

14. Other Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	0.95	12.29
Total	**0.95**	**12.29**

15 : Revenue from Operations

Particulars	For the year ended March 31, 2024	January 29, 2022 to March 31, 2023
Revenue from Power Supply	834.69	186.32
Total	**834.69**	**186.32**

Disclosure pursuant to IND AS 115: Revenue from contracts with customers

Particulars	For the year ended March 31, 2024	January 29, 2022 to March 31, 2023
i) Revenue by category of contracts:		
Over a period of time basis	834.69	186.32
At a point-in-time basis	-	-
Total revenue from contracts with customers	**834.69**	**186.32**
ii) Revenue by geographical market:		
Within India	834.69	186.32
Outside India	-	-
Total revenue from contracts with customers	**834.69**	**186.32**

(iii) Remaining performance obligations:

The Company applies practical expedient included in para 121 of Ind AS 115 and does not disclose information about its remaining performance obligations for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed till date.

16. Other Income

Particulars	As at March 31, 2024	January 29, 2022 to March 31, 2023
Interest income from financial assets at amortised cost	5.21	19.59
Net reversal of corporate overhead allocation*	59.03	-
Miscellaneous income	0.39	16.82
Total	**64.63**	**36.41**

*During the year, the Holding Company has revised the method of charging common expenditure to its subsidiaries including for the amount already charged during the previous year ended March 31, 2023. This resulted in savings of Rs.70.62 lakhs. Amount disclosed is after net off expenses charged during the year.

17. Finance Costs

Particulars	For the year ended March 31, 2024	January 29, 2022 to March 31, 2023
Interest expense on financial liabilities measured at amortised cost	515.43	125.26
Interest on loan from Holding Company	24.86	90.49
Less: Interest Capitalised	(12.87)	(90.49)
Total	**527.42**	**125.26**

18. Depreciation Expense

Particulars	For the year ended March 31, 2024	January 29, 2022 to March 31, 2023
Depreciation of property, plant and equipment	310.56	69.52
Total	**310.56**	**69.52**

19. Other Expenses

Particulars	For the year ended March 31, 2024	January 29, 2022 to March 31, 2023
Operation & Maintenance Charges	39.48	10.32
Other Selling expenses	-	0.04
Deferred tax liability (net)	0.20	-
Rates and taxes	3.06	2.49
Insurance	10.19	3.17
Travelling and conveyance	7.53	6.40
Communication expenses	0.93	0.01
Printing and stationery	0.07	0.03
Professional charges	13.45	15.21
Auditor's remuneration (Refer note below)	1.77	1.77
Directors' Sitting fees	3.30	1.65
Total equity and liabilities	0.59	-
Miscellaneous expenses	2.79	4.54
Corporate Overhead allocation	-	79.52
Total	**83.36**	**125.15**

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current and previous year.

Note: Auditor's remuneration

Particulars	For the year ended March 31, 2024	January 29, 2022 to March 31, 2023
Statutory Audit Fees (Including GST)	1.77	1.77
Total	**1.77**	**1.77**

20. Loss per share

Particulars	For the year ended March 31, 2024	January 29, 2022 to March 31, 2023
Net Loss attributable to the Equity shareholders of the Company	(55.85)	(97.20)
Weighted average number of Equity shares of Rs.10/- each	22,000,000	22,000,000
Basic and Diluted Loss per share	**(0.25)**	**(0.44)**

First Energy TN 1 Private Limited

Notes to the Financial Statements for the year ended March 31, 2024

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

21. Contingent Liabilities and commitments

Contingent liabilities

There are no liabilities of contingent nature.

Capital and other commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs 2,550.22 Lakhs. (March 31, 2023: NIL)

22. Related party disclosures

A Immediate Holding Company

First Energy Private Limited

B Ultimate Holding Company

RDA Holding Private Limited

C Intermediate Holding Company

Thermax Limited (most senior parent that produces consolidated financial statements for public use)

D Key management personnel:

1 Mr. Ravi Damaraju - Director (w.e.f. March 30, 2022)

2 Mr. Navjit Gil - Director (till September 19, 2022)

3 Mr. Mitish Somani - CFO (till April 5, 2024)*

4 Mr. Harpreet Singh - Director (till March 31, 2022)

5 Mr. Sanjay Parande - Independent Director (w.e.f. December 23, 2022)

6 Mr. Ashok Joshi - Independent Director (w.e.f. December 23, 2022)

7 Ms. Sampada Sakhare - Company Secretary

8 Mrs. Anjali Sandeep Lothe - Director (w.e.f. May 9, 2023)

E Enterprises with whom transactions have taken place during the year, over which control is exercised by KMP of Intermediate holding company:

1 Elgi Equipments Limited, India

F Transactions with Related parties:

Particulars	For the year ended March 31, 2024	January 29, 2022 to March 31, 2023
(a) Transactions during the year		
With Immediate Holding Company		
Subscription for equity shares by holding company	-	2,200.00
Reimbursement of interest expenses	24.86	124.08
Loan Taken	879.00	90.00
Loan Repaid	90.00	-
Reimbursement of expenses (inclusive of reimbursement of capital expenditure)	18.14	4753.54
Reversal of corporate overheads (net)	59.03	-
Intermediate Holding Company		
Operation and Maintenance expenses	39.48	10.32
Enterprises over which control is exercised by KMP of Intermediate holding company:		
Revenue from operations	220.48	50.05
Key management personnel compensation		
Short term employee benefits (Director sitting fees)	3.30	1.65

G Outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Balances as at the year end		
Holding Company		
Loan payable	879.00	90.00
Trade payables	8.17	79.50
Payable for property, plant and equipment	5.90	-
Interest payable	19.57	-
Intermediate Holding Company		
Trade payables	-	10.32
Advance Given	5.34	5.70
Enterprises over which control is exercised by KMP of Intermediate holding company:		
Trade Receivable	21.41	19.13

H Terms and conditions for outstanding balances

All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings, refer note 11.

The transactions entered with related parties are at arm's length basis.

* As per the provisions of Companies Act, 2013, the new CFO can be appointed within a period of six months from the date of creation of casual vacancy. Accordinlgy, the Company is required to appoint new CFO till October 5, 2024.

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

23 Fair value measurements

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables	29.11	103.33
Borrowing	6,104.11	5454.45
Other liabilities	51.41	146.54
Total	**6,184.63**	**5,704.32**
Current liabilities	1,039.49	546.27
Non-current liabilities	5,145.14	5,158.05
Total	**6,184.63**	**5,704.32**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	48.24	75.81
Total equity	28.61	-
Other financial assets	298.02	120.20
Cash and cash equivalents	13.73	185.49
Total	**388.60**	**381.50**
Current assets	238.40	381.50
Non-current assets	150.20	-
Total	**388.60**	**381.50**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

24. Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

Risk is inherent in the Company'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 Company's continuing operations. 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. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings.

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	5,225.11	5,364.45

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	March 31, 2024	March 31, 2023
Interest rates - Increase by 50 basis points	(26.92)	(7.14)
Interest rates - Decrease by 50 basis points	26.92	6.95

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.

The company has not entered into any foreign currency transaction during the current year and comparative period and hence not exposed to any foreign currency 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 from its investing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters. An impairment analysis is performed based on expected credit loss model at each reporting date. 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 above. There is no charge of impairment to Statement of profit and loss.

Expected credit loss for trade receivable under simplified approach

Trade receivables	As at March 31, 2024			As at March 31, 2023		
	Gross	Expected loss rate	Expected loss allowance	Gross	Expected loss rate	Expected loss allowance
Unbilled	48.24	0%	-	75.81	0%	-
Total	**48.24**	**0%**	**-**	**75.81**	**0%**	**-**

Expected credit loss for

Balances with Banks

Credit risk from balances with banks is managed by the Parent Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Investments of surplus funds are made only with approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

Other financial assets carried at amortised cost

Company's exposure to other financial asset includes security deposits which is considered to be low risk. No loss allowance is required to be recognised for the same.

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.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below summarises the company's financial liabilities into relevant maturity profile based on contractual undiscounted payments :

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

March 31, 2024

	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	958.96	577.78	459.54	4,141.68
Trade Payables	-	29.11	-	-	-
Other financial liabilities	-	51.41	-	-	-

March 31, 2023

	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	296.40	434.05	448.98	4,328.94
Trade Payables	-	103.33	-	-	-
Other financial liabilities	-	146.54	-	-	-

The company has access to following undrawn facilities at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount	Floating Rate	Amount	Floating Rate
ICICI Rupee Term Loan	-	-	47.00	IMCLR3 Months + 0.70%

25. Analytical ratios

Sr. No.	Particulars	Numerator	Denominator	For the period ended March 31, 2024	For the period ended March 31, 2023	Variance	Reasons for variance of more than 25%
1	Current Ratio	Current Assets	Current Liabilities	0.25	0.72	65.47%	Refer Note 1
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	3.02	2.63	-15.00%	Not applicable
3	Debt Service Coverage Ratio	Earnings available for debt service (Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service (Interest + Principal Repayments)	1.01	0.37	173.76%	Refer Note 2
4	Return on Equity	Net Profits after taxes	Average Shareholder's Equity	-1.07%	-4.68%	3.60%	Not applicable
5	Return on investment	Earning before interest and taxes	Total assets	6.13%	0.36%	5.77%	Not applicable
6	Trade Receivables turnover Ratio	Total Sales	Average Trade Receivable	34.61	2.46	1308.02%	Refer note 2
7	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	5.73	1.21	451.49%	Refer note 2
8	Net capital turnover Ratio	Total Sales	Working Capital	1.07	1.18	-9.54%	Not applicable
9	Return on Capital employed	Earning before interest and taxes	Capital Employed	6.22%	0.37%	5.85%	Not applicable
10	Net Profit Ratio	Net Profits after taxes	Revenue	-6.69%	-52.17%	45.48%	Refer note 2

Working Capital = Current assets less Current liabilities

Capital employed = Tangible Net worth + total debt

Average = (Opening + Closing)/2

Note:

Note 1: Short term loan availed from the group company for expansion of existing projected resulted in increase in current liability and thus decrease in current ratio.

Note 2: Major operations started during the last quarter of previous year. In current year, the entity was operational through out the year.

Notes to the Financial Statements for the year ended March 31, 2024

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

26. 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

	As at March 31, 2024	As at March 31, 2023
Borrowings	6104.11	5,454.45
Less: Cash and cash equivalents (includes other bank balances)	42.34	185.49
Net debt	**6,061.77**	**5,268.96**
Equity	2,021.88	2,077.73
Net Debt to Equity	**3.00**	**2.54**

Net debt to equity has increased in current year on account of additional borrowings availed during the year for expansion of existing project.

Loan Covenants

The Borrower shall, during the entire tenor of the Facility, ensure that:

(a) the Security Cover Ratio shall be above 1.1:1

(b) its Debt to Equity Ratio should not be greater than 3:1 and

(c) its Debt Service Coverage Ratio does not fall below 1.15:1 "

The Company has complied with these covenants throughout the reporting period.

27. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Dues to small-scale industrial undertakings have been worked out on the basis of information available with the Management.

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount dues to micro and small enterprises	1.98	1.00
- Interest due thereon	0.12	-
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	-	-
The amount of payment made to the supplier beyond the appointed day during the year	14.40	-
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	0.37	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.49	-
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.	0.49	-

28. Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz "Producer of power through renewable energy source". Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

29. Other Statutory Information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current period.

(iv) There is no income surrendered or disclosed as income during the current period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current period.

(viii) Utilisation of borrowed funds and share premium

The Company has 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

The Company has 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.

30. 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

The primary accounting software used for maintaining its books of account 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 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.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy TN 1 Private Limited

Anjali Lothe
Director
DIN : 10134848

Ravi Damaraju
Director
DIN : 09554649

Sampada Sakhare
Company Secretary

Sumit Rathi
Chief Financial Officer

Place: Pune
Date: May 2, 2024

First Energy 2 Private Limited

Board of Directors
Mitish Somani (Upto April 5, 2024)
Ravi Damaraju
Sandeep Mandke
Sanjay Parande
Ashok Joshi

Registered Office
Unit No. 601, 6th Floor,
Cello Platina, F.C. Road,
Shivajinagar, Pune 411005

Auditors
Price Waterhouse & Co.
Chartered Accountants LLP
7th Floor, Business Bay, Tower A,
Wing -1, Airport Road,
Yerwada, Pune 411006

Key Managerial Personnel
Prakash Patil (Chief Executive Officer)
Meghana Supekar
(Chief Financial Officer upto December 1, 2023)
Abhishek Kangokar
(Chief Financial Officer w.e.f May 2, 2024)
Omkar Bhide
(Company Secretary w.e.f May 2, 2024)

Bankers
Yes Bank Limited

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure to present the Second Annual Report, together with the audited financial statements of your Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total income	456.32	1.75
Profit before finance cost, depreciation, and tax	367.51	(41.29)
Finance Cost	261.23	0.80
Profit before depreciation and tax	106.28	(42.09)
Depreciation and impairment	149.66	-
Profit/(Loss) before tax	(43.38)	(42.09)
Provision for taxation (incl. deferred tax)	-	8.59
Items that are not to be reclassified to profit or loss	-	-
Profit/(Loss) after tax	(43.38)	(50.68)

State of Company's Affairs

The Company's Solar plant of 7.5MWp has been in stable operation since commissioning in March 2023.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affects the financial position of the Company.

Dividend

The directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the company has not transferred any amount to the General Reserve.

Share Capital

During the year there were no changes in the capital structure of the Company. The Paid-up Share Capital of the Company is Rs. 11,53,50,050 divided into 1,15,35,005 Equity Shares of Rs.10 each. The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity during the year.

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

The details of loans and investments covered under the provisions of section186 of the Companies Act, 2013, are given in the notes to the Financial Statements. During the year, the Company did not give any guarantee.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Solar business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involved the risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also contracts competent local infra partners having experience and capability.

- **Renewable Sources and Grid Availability**

  The major risk identified by the Company is generation loss due to lower radiation, wind speed, and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk involved the risk of revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using water for cleaning modules at regular frequency.

  The Board at its meetings periodically reviews and monitors these risks and their mitigation plan.

First Energy 2 Private Limited

Health and Safety

Across all its operational assets, sites and offices, the Company implements policies that covers Health and safety. The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors & Key Managerial Personnel

During the year, Mr. Sanjay Parande (DIN: 07161299) and Mr. Ashok Joshi (DIN: 02296952) were appointed as Additional Independent Directors of the Company w.e.f. May 9, 2023 and their appointment was regularized on July 24, 2023. The Independent Directors are appointed for a term of 5 consecutive years commencing from May 09, 2023 up to May 09, 2028.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sandeep Mandke (DIN: 09619581) retires by rotation and being eligible offers, himself for re-appointment. The proposal of re-appointment forms part of the Notice of the Second AGM of the Company.

During the year, the following changes took place in the Key Managerial Personnel(s) of the Company.

- Mr. Prakash Patil was appointed as the Chief Executive Officer and Key Managerial Personnel (KMP) of the Company with effect from May 09, 2023.
- Ms. Meghana Supekar was appointed as the Chief Financial Officer and Key Managerial Personnel (KMP) of the Company with effect from May 09, 2023 and she resigned as the Chief Financial Officer and Key Managerial Personnel (KMP) of the Company with effect from December 1, 2023.

Policy on appointment and remuneration of directors and key managerial personnel

The Board has adopted a policy on selection and appointment of Directors and remuneration of Directors, KMPs and employees. The Directors do not receive any remuneration except independent directors who are entitled to sitting fees as approved by the Board for each Board/Committee meeting attended. A detailed policy is annexed herewith as Annexure 1 and forms part of this report.

Declaration by Independent Directors

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and have also confirmed that their names have been added in the data bank maintained by the Indian Institute of Corporate Affairs for independent directors, in accordance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, every individual whose name is so included in the data bank shall pass an online proficiency self-assessment test. However, an individual who has fulfilled the criteria prescribed in Rule 6(4) of the said Rules, is exempted from passing the online proficiency self-assessment test. In view of the same, Mr. Sanjay Parande, having met the aforesaid criteria, was exempted from the proficiency self-assessment test and Mr. Ashok Joshi has passed the proficiency self-assessment test.

The Board is of the opinion that the Directors of the Company are eminent persons with integrity and have necessary expertise and experience to continue to discharge their responsibilities as Directors of the Company.

Board Meetings

During the year, the Board met four times on May 9, 2023, July 25, 2023, October 25, 2023 and January 29, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Independent directors meeting

During the year under review, the independent directors met once on January 29, 2024 where all independent directors were present inter alia to review the performance of the Board and non-independent directors of the Company.

Committees of the Board

The Board has constituted the following committees viz. Audit Committee and Nomination and Remuneration Committee.

Audit Committee

The Audit Committee of the Board of Directors was constituted on May 9, 2023. The committee comprises of all directors being non-executive directors viz Mr. Sanjay Parande as the Chairman and Mr. Ashok Joshi & Mr. Mitish Somani as members of the committee. The committee met three times during the year on July 25, 2023, October 25, 2023 and January 29, 2024. Further, all the recommendations made by the audit committee were accepted by the Board.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors was constituted on May 9, 2023. The committee comprises of all directors being non-executive directors viz Mr. Ashok Joshi as the Chairman and Mr. Sanjay Parande & Mr. Ravi Damaraju as members of the committee. The committee met once on January 29, 2024.

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 judgment 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 and loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Conservation of energy and technological absorption

The Company is in the business of renewable energy. The Company aims to conserve the environment by bringing about significant change in methods of using energy through the application of Solar, Wind, and associated Renewable energy generation sources for commercial & industrial customers.

In the case of Technology absorption, the Company used higher rated (>540Wp) Monoperc PV modules with better efficiency, a structure designed to withstand the wind load and string type Solar Inverters designed for outdoor installation.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the company is a Subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the roll of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

There are no significant or material orders passed by the Regulators / Courts.

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of the Companies Act, 2013 as of March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing employees with a safe and conducive work environment. No cases were pending at the beginning of the year/ filed during the year, according to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of onetime settlement with any Bank or Financial Institution.

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions:

a. Via green open access regulations, captive demand in the state is set to expand. Open access is now allowed for consumers with smaller connected loads (> 100kW) but capped at resultant power flow. This has a positive impact on the business of the Company.

b. Maharashtra Energy Development Authority (MEDA) notified the MH Green Hydrogen Policy 2023 defining incentives available for Renewable Energy projects developed in the state, for supply to Green Hydrogen projects. This has a positive impact on the business of the Company.

c. The Hon'ble Supreme Court vide order dated 9th October 2023, has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, minimum 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Auditors

M/s Price Waterhouse Chartered Accountants LLP, (Firm Registration Number. 012754N/N500016) were appointed as Statutory Auditors of the Company for a period of Five year from the conclusion of the 1st Annual General Meeting (AGM) till the conclusion of the 6th AGM. The Auditors' Report for FY 2023-24 does not contain any qualification, reservation, or adverse remark.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work and support.

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For and on behalf of the Board of Directors of
First Energy 2 Private Limited

Sandeep Mandke Director DIN: 09619581	**Ravi Damaraju** Director DIN: 09554649

Pune, May 02, 2024

Annexure 1

Policy on Selection and Appointment of Directors and Remuneration of Directors, KMPs and Employees

The Nomination & Remuneration Committee (NRC) has prepared a “Terms of Reference” (TOR), which, inter alia, deals with laying down the criteria for the selection of Non-Executive Directors (NEDs), based on the requirements of the organization, including the qualifications, and determining the independence of Directors. The NRC has also laid down the criteria for the evaluation of the performance of the Board and guidelines for determining the remuneration of Directors. This Policy is based on the above TOR of NRC:

(1) Criteria for selection and appointment of Directors:

(a) The Director shall have relevant expertise and experience commensurate with the requirements of the Company to discharge the duties as a Director.

(b) While selecting a director, the emphasis be given to the qualifications, experience, and personal and professional standing of the incumbent.

(c) Assess the independence and nature of the appointment as Director vis-à-vis any conflict-of-interest w.r.t. any pecuniary relationship and procure necessary declaration.

(d) The Director is not disqualified for appointment u/s. 164 of the Companies Act, 2013.

(e) In the event of re-appointment of the Director, due emphasis be given to the performance evaluation of the Director during his tenure.

(2) Remuneration:

The remuneration payable to Directors shall be in accordance with Sec. 197 of the Companies Act, 2013 and other applicable provisions & rules made thereunder from time to time.

The Directors shall also be eligible to receive reimbursement of expenses for participation in the Board and Committee Meetings.

The Independent Directors shall be entitled to receive remuneration by way of sitting fees for attending the meetings of the Board as well as the Committees.

(3) Criteria for selection of MD, WTD & CEO:

For selection of the MD, WTD and CEO, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendations, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria regarding age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

(4) Remuneration for MD, WTD & CEO:

i. At the time of appointment or re-appointment, the Managing Director (MD), Whole Time Director (WTD) and Chief Executive Officer (CEO) shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the MD, WTD and CEO within the overall limits prescribed under the Companies Act, 2013.

ii. The remuneration shall be subject to the approval of the Members of the Company in the General Meeting.

iii. The remuneration of the MD, WTD and CEO is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises a performance bonus.

iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure/consider the following:

a. the relationship of remuneration and performance benchmarks is clear.

b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.

c. responsibility required to be shouldered by the MD, WTD and CEO, the industry benchmarks, and the current trends.

d. the Company’s performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

(5) Remuneration Policy for Senior Management, KMPs and employees:

The NRC, while determining the remuneration of Senior Management/ employees and KMPs shall ensure the following:

(i) The remuneration is divided into Fixed component & Variable Component.

(ii) The division is based on the fixed salary and performance bonuses.

(iii) The division between fixed and variable is based on the roles & responsibilities, the Company’s performance vis-à-vis KRA & KPIs, industry benchmark and current compensation trends in the market.

Based on the Annual Business Plan prepared, Individual Contribution Plan (ICP) is prepared by the Senior Management which is agreed upon. It broadly contains certain targets for strategic objectives, operational excellence-oriented initiatives, and business deliverables. The actual performance of individual repartee will be discussed by the MD and CEO at the year’s end. Based on the appraisal and overall performance of the Company and after considering the market trends, suitable increments/ variable pay shall be decided by the MD and CEO.

The MD & CEO will present a snapshot of the evaluation carried out to assess the performance of the Whole-time Director, while recommending the annual increment of the NRC, for its review and approval.

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy 2 Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of First Energy 2 Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

10. 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.

Report on other legal and regulatory requirements

11. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) 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.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 31 (viii) to the 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, as disclosed in the Note 31 (viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the year.

        vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

13. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number : 134593

UDIN: 24134593BKFJCY7221
Place : Pune
Date : May 8, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of First Energy 2 Private Limited on the financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of First Energy 2 Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number : 134593

UDIN : 24134593BKFJCY7221
Place : Pune
Date : May 8, 2024

First Energy 2 Private Limited

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of First Energy 2 Private Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. .(a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, income tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 12 to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xiv) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the period from March 30, 2022 to March 31, 2023. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has one CIC as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii The Company has not incurred any cash losses in the financial year and had incurred cash losses of Rs. 50.68 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Amit Borkar
Partner
Membership Number : 134593

UDIN : 24134593BKFJCY7221
Place : Pune
Date : May 8, 2024

First Energy 2 Private Limited

Balance Sheet as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	3,722.55	103.26
Capital work-in-progress	3	-	3,761.77
Financial assets			
(a) Other financial assets	4(a)	5.37	5.37
Deferred tax assets (net)	5	-	-
Income tax assets (net)	6	0.47	-
Total non-current assets		**3,728.39**	**3,870.40**
Current assets			
Financial assets			
(a) Trade receivables	7	41.14	-
(b) Cash and cash equivalents	8(a)	40.77	58.66
(c) Bank balance other than (b) above	8(b)	87.38	-
(d) Other financial assets	4(b)	0.02	-
Other current assets	9	7.02	6.69
Total current assets		**176.33**	**65.35**
Total assets		**3,904.72**	**3,935.75**
Equity and Liabilities			
Equity			
Equity share capital	10	1,153.50	1,153.50
Other equity	11	(106.75)	(63.37)
Total equity		**1,046.75**	**1,090.13**
Non-current liabilities			
Financial liabilities			
(a) Borrowings	12(a)	2,655.03	2,582.90
Total non-current liabilities		**2,655.03**	**2,582.90**
Current liabilities			
Financial liabilities			
(a) Borrowings	12(b)	144.37	60.57
(b) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises	13	7.22	0.68
ii) total outstanding dues other than (i) above	13	5.98	41.80
(c) Other financial liabilities	14	35.22	148.18
Current tax liability	6	-	9.06
Other current liabilities	15	10.15	2.43
Total current liabilities		**202.94**	**262.72**
Total equity and liabilities		**3,904.72**	**3,935.75**

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

Statement of Profit and Loss for the year ended March 31, 2024

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

Particulars	Note No	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue from operations	16	424.86	-
Other income	17	31.46	1.75
Total income		**456.32**	**1.75**
Expenses			
Finance costs	18	261.23	0.80
Depreciation expense	19	149.66	-
Other expenses	20	88.81	43.04
Total expenses		**499.70**	**43.84**
Loss before tax		**(43.38)**	**(42.09)**
Tax expense		**-**	**8.59**
Current tax	6	-	8.59
Loss for the period		**(43.38)**	**(50.68)**
Other comprehensive income		-	-
Total comprehensive loss for the period		**(43.38)**	**(50.68)**
Loss per equity share			
Basic & Diluted [nominal value per share ₹ 10]	21	**(0.38)**	**(0.78)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of First Energy 2 Private Limited

Sandeep Mandke
Director
DIN : 09619581

Ravi Damaraju
Director
DIN : 09554649

Prakash Patil
Chief Executive Officer

Abhishek Kangokar
Chief Financial Officer

Omkar Bhide
Company Secretary

Place: Pune
Date: May 2, 2024

Statement of Cash flows for the year ended March 31, 2024

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

	Particulars	Year ended March 31, 2024	March 30, 2022 to March 31, 2023
A)	**Cash flows from operating activities**		
	Loss before tax	(43.38)	(42.09)
	Adjustments to		
	Depreciation expenses	149.66	-
	Finance costs	261.23	0.80
	Interest income from financial assets at amortised cost	(3.31)	(1.75)
	Working capital adjustments		
	(Increase)/decrease in trade receivables	(41.14)	-
	(Increase) in other financial assets	-	(5.37)
	(Increase) in other assets	(0.33)	(6.69)
	(Decrease) in trade payables	(29.28)	42.48
	Increase in other liabilities	7.72	2.43
	Increase in other financial liabilities	0.78	0.81
	Cash generated from/(used in) operations	**301.95**	**(9.38)**
	Income taxes paid	(9.53)	(0.16)
	Net cash generated from/(used in) operations	**292.41**	**(9.54)**
B)	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(133.56)	(3,709.56)
	Investment in fixed deposits	(87.38)	-
	Interest received	3.29	1.75
	Net cash flow used in investing activities	**(217.65)**	**(3,707.81)**
C)	**Cash flows from financing activities**		
	Proceeds from borrowings	246.00	2,692.00
	Transaction cost for availing borrowing	(8.61)	(48.53)
	Proceeds from issue of equity shares	0.00	1,153.50
	Repayment of borrowings	(81.46)	-
	Cost related to issue of Own Equity Instruments	-	(12.69)
	Interest paid on borrowing	(248.59)	(0.17)
	Interest paid and capitalised	-	(8.10)
	Net cash flow from/(used in) from financing activities	**(92.66)**	**3,776.01**
	Net increase/(decrease) in cash and cash equivalents	**(17.89)**	**58.66**
	Cash and cash equivalents at the beginning of the financial year/ period	58.66	-
	Cash and cash equivalents at the end of the financial year/ period	**40.77**	**58.66**

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

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents (refer note no 8 (a))	40.77	58.66
Balances as per statement of cash flows statement	**40.77**	**58.66**

Notes:

i) Statement of Cash Flows has been prepared under the “Indirect Method” in accordance with ‘IND AS 7 : Statement of Cash Flows’.

ii) Refer Note 12 (b) for Net debt reconciliation

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 2 Private Limited

Sandeep Mandke
Director
DIN : 09619581

Ravi Damaraju
Director
DIN : 09554649

Prakash Patil
Chief Executive Officer

Abhishek Kangokar
Chief Financial Officer

Omkar Bhide
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 2 Private Limited

Statement of changes in equity as at March 31, 2024

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

A. Equity Share Capital

Particulars	Amount
As at March 30, 2022	**-**
Issued during the period	1,153.50
As at March 31, 2023	**1,153.50**
Issued during the year	-
As at March 31, 2024	**1,153.50**

B Other Equity

Particulars	Retained Earnings	Total
As at March 30, 2022	-	-
Loss for the period	(50.68)	(50.68)
Other comprehensive income for the period	-	-
Total comprehensive loss for the year	**(50.68)**	**(50.68)**
Cost related to issue of own equity instruments	(12.69)	(12.69)
As at March 31, 2023	**(63.37)**	**(63.37)**
Loss for the year	(43.38)	(43.38)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(43.38)**	**(43.38)**
As at March 31, 2024	**(106.75)**	**(106.75)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 2 Private Limited

Sandeep Mandke
Director
DIN : 09619581

Ravi Damaraju
Director
DIN : 09554649

Prakash Patil
Chief Executive Officer

Abhishek Kangokar
Chief Financial Officer

Omkar Bhide
Company Secretary

Place: Pune
Date: May 2, 2024

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

1. Corporate information

First Energy 2 Private Limited ("the Company") is a private limited company domiciled in India and incorporated on March 30, 2022 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of solar power.

The address of the Company's registered office is 6th Floor, Office No 601, Cello Platina, FC Road, Shivaji Nagar, Pune, Maharashtra – 411005. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U40300PN2022PTC209863.

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2 New and amended standards adopted by the Company:

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Summary of material accounting policies

a. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from Sale of power

Revenue from sale of power is recognised at transaction price and over time for each unit of electricity delivered at the contracted rate. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

At the end of each reporting period, the Company updates the estimated transaction price to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. The Company accounts for such changes in the transaction price (including claims). Consideration / claim payable to a customer includes cash amounts that an entity pays to the customer. The Company accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. The consideration payable to a customer includes a variable amount.

Trade receivables: 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). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	10 to 25	10 to 15

c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

2.4. Summary of other accounting policies

a. 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

All financial assets (excluding trade receivables which do not contain a significant financing component) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 derecognized 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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurementt

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Property, plant and equipment (PPE)

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

d. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

g. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

h. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

i. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

j. Segment reporting

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 been identified as the chief operating decision maker of the Company.

k. Contingent liabilities

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.

l. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

m. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Ind AS 116 – Leases

In determining whether revenue contract (power purchase agreement) with customer especially when entire contractual capacity of one project (solar / wind project) is committed to one customer, management exercises judgement in concluding whether contract contains lease. Management takes into consideration who is responsible for design of the project and who has right to direct the use of solar plant.

ii. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

iii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

v. Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

3 (a) Property, Plant and Equipment

Particulars	Land Freehold	Solar Power Plant	Total	Capital work-in-progress
Gross carrying amount:				
As at March 30, 2022	**-**	**-**	**-**	**-**
Additions	103.26	-	103.26	3,761.77
Deductions	-	-	-	-
As at March 31, 2023	**103.26**	**-**	**103.26**	**3,761.77**
Additions	-	3,768.95	3,768.95	7.18
Deductions	-	-	-	3,768.95
As at March 31, 2024	**103.26**	**3,768.95**	**3,872.21**	**-**
Accumulated Depreciation				
As at March 30, 2022	**-**	**-**	**-**	**-**
For the period	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2023	**-**	**-**	**-**	**-**
For the year	-	149.66	149.66	-
Deductions	-	-	-	
As at March 31, 2024	**-**	**149.66**	**149.66**	**-**
Net block				
As at March 31, 2024	**103.26**	**3,619.29**	**3,722.55**	**-**
As at March 31, 2023	**103.26**	**-**	**103.26**	**3,761.77**

See note 12 for information on property, plant and equipment pledged as security by the Company.

(b) Ageing of capital work-in-progress

Particulars/ Projects	As at March 31, 2023				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress					
7.5 MW Solar project	3,761.77	-	-	-	3,761.77
Total	**3,761.77**	**-**	**-**	**-**	**3,761.77**

Capital work-in-progress was completed and capitalised in April 2023.

Capitalization of expenses

During the period, the Company has capitalized the following expenses of revenue nature to the cost of Capital work-in-progress. Consequently, expenses disclosed under the respective notes were net of amounts capitalized by the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Reimbursement of Salaries and wages	-	20.22
Reimbursement of Others Expenses	-	3.24
Interest and reimbursement of Interest expenses	-	29.02
Total	**-**	**52.48**

4(a) Other financial assets (Non-current)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	5.37	5.37
Total	**5.37**	**5.37**

Notes to the Financial Statements for the year ended March 31, 2024

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

4(b) Other Financial Assets (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due	0.02	-
Total	**0.02**	**-**

5. Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax asset		
Losses available for offsetting future taxable income	228.85	-
Total	**228.85**	**-**
Deferred tax liability		
Depreciation on Property, plant and equipment	(227.16)	-
Others	(1.70)	-
Total	**(228.85)**	**-**
Net Deferred tax asset	**-**	**-**

The Company has tax losses of Rs. 92.18 lakhs (March 31, 2023: NIL) that are available for offsetting for future taxable profits. 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 Company and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company was able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs. 15.82 lakhs (March 31, 2023: NIL).

Particulars	Expiry date (Year Ending March 31)	As at March 31, 2024		As at March 31, 2023	
		Amount	Tax Impact	Amount	Tax Impact
Unabsorbed depreciation	Not applicable	92.18	15.82	-	-
Total		**92.18**	**15.82**	**-**	**-**

The tax expense consists of following:

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax expense	-	8.59
Deferred tax (benefit) / charge	-	
Total	**-**	**8.59**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Loss before tax	(43.38)	(42.09)
Income tax rate	17.16%	17.16%
Expected tax expense / (credit)	(7.44)	(7.22)
Deferred tax assets not recognised on losses	7.44	-
Others	-	15.82
Total tax expense	**-**	**8.59**

6. Income tax assets/ (liabilities)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(9.06)	-
Add: Tax liability (Including interest)	-	(9.22)
Less: Taxes paid during the year including withholding tax	9.53	0.16
Closing balance	**0.47**	**(9.06)**

7. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables	41.14	-
- Unbilled*	41.14	-
- Billed	-	-
Total	**41.14**	**-**
Break-up for security details:		
Secured considered good	-	-
Unsecured considered good	41.14	-
Trade receivables which have a significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
	41.14	**-**
Less: impairment allowance	**-**	**-**
Total	**41.14**	**-**

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 receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

*The receivables is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

Trade Receivables ageing:

As at March 31, 2024

Particulars/ Projects	Unbilled	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	
As at March 31, 2024								
Undisputed Trade Receivables- considered good	41.14	-	-	-	-	-	-	41.14
Total	**41.14**	**-**	**-**	**-**	**-**	**-**	**-**	**41.14**

8(a) Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with Bank		
- in current accounts	30.77	33.54
- in deposits with original maturity of less than three months	10.00	25.12
Total	**40.77**	**58.66**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

8(b) Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than three months but less than twelve months	87.38	-
Total	**87.38**	**-**

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

9. Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Prepaid expenses	7.02	6.40
Others	-	0.29
Total	**7.02**	**6.69**

There were no advances due by directors or other 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 any director is a partner or a member.

10. Share capital

a) Authorised share capital

Equity shares of ₹ 10 each

Particulars	No. of shares	Amount
As at March 30, 2022	**-**	**-**
Increase during the period	12,000,000	1,200.00
As at March 31, 2023	**12,000,000**	**1,200.00**
Increase during the year	-	-
As at March 31, 2024	**12,000,000**	**1,200.00**

b) Issued, Subscribed and Paid up Share Capital

Equity shares of ₹ 10 each

Particulars	No. of shares	Amount
As at March 30, 2022	**-**	**-**
Changes during the period	11,535,006	1,153.50
As at March 31, 2023	**11,535,006**	**1,153.50**
Changes during the year	-	-
As at March 31, 2024	**11,535,006**	**1,153.50**

c) Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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.

d) Equity shares held by holding company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Holding company				
First Energy Private Limited				
Equity shares of Rs 10 each	8,534,999	853.50	8,534,999	853.50

e) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the Shareholder	As at March 31, 2023	As at March 31, 2023
(i) First Energy Private Limited		
% Holding	73.99%	73.99%
No. of shares	8,534,999	8,534,999
(ii) Heubach Colorants India Limited		
% Holding	26.01%	26.01%
No. of shares	3,000,000	3,000,000

f. Shares held by promoters at the end of the period

Name of Promoter	As at March 31, 2024		As at March 31, 2023		% of change during the year
	Number of shares	% of total number of shares	Number of shares	% of total number of shares	
First Energy Private Limited, India	8,534,999	73.99%	8,534,999	73.99%	0.00%

11. Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings	(63.37)	
Add : Loss for the year	(43.38)	(50.68)
	(106.75)	**(50.68)**
Cost related to issue of own equity instruments	-	(12.69)
Total	**(106.75)**	**(63.37)**

12(a) Borrowings (Non-current)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans from Bank		
Indian rupee loans from banks*	2,564.40	2,643.47
Less: Current maturities of long-term debts	89.37	60.57
(included in current borrowings)		
Unsecured loans		
From holding company	180.00	-
Total	**2,655.03**	**2,582.90**

* After considering unamortised transaction cost of Rs.67.07 lakhs as at March 31, 2024 (March 31, 2023: Rs 48.53 lakhs).

Aggregate secured borrowings	2,475.03	2,582.90
Aggregate unsecured borrowings	180.00	-

Loans are measured at amortised cost.

Details	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from Yes Bank	June 30, 2042	76 structured quarterly Installment start from 30th September, 2023	9% p.a. (Interest rate 3M MCLR)	2,564.40	2,643.47
Loan from holding company	September 30, 2026	Repayable on maturity date	8.60%	100.00	-
Loan from holding company	September 30, 2025	Repayable on maturity date	8.60%	80.00	-

Details of security

Indian rupee loans from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the project (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the Company held by the holding company.

(b) Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Current maturities of long term borrowings	89.37	60.57
Unsecured loans		
From holding company	55.00	-
Total	**144.37**	**60.57**
Aggregate secured borrowings	89.37	60.57
Aggregate unsecured borrowings	55.00	-

Unsecured borrowings:

Particulars	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from Holding Company	September 30, 2024	Single payment at end of term	8.45%	55.00	-

During the year, the Company has used all the borrowings for specific purpose for which they have been obtained.

As at March 31, 2024, the Company has not complied with some of the covenants under loan agreements in respect of secured borrowings of Rs. 2564.40 lakhs. The Company has received confirmation from the bank that said borrowings will not be recalled as a consequence of such breach.

Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	(2,799.40)	(2,643.47)
Interest accrued	(33.56)	(20.92)
Cash and cash equivalents	40.77	58.66
Other bank balances	87.38	-
Net debt	**(2,704.81)**	**(2,605.73)**

Particulars	Other assets		Liabilities from financing activities	Total
	Cash and bank balance	Other Bank Balances	Borrowings	
Net debt as at March 30, 2022	**-**	**-**	**-**	**-**
Cash flows	58.66	-	(2,643.47)	(2,584.81)
Interest capitalized	-	-	(29.02)	(29.02)
Interest paid	-	-	8.10	8.10
Net debt as at March 31, 2023	**58.66**	**-**	**(2,664.39)**	**(2,605.73)**
Cash flows	(17.89)	87.38	(155.93)	(86.44)
Interest cost	-	-	(261.23)	(261.23)
Interest paid	-	-	248.59	248.59
Net debt as at March 31, 2024	**40.77**	**87.38**	**(2,832.96)**	**(2,704.81)**

13. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	7.22	0.68
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
i) Related parties	4.15	38.69
ii) Others	1.83	3.11
Total	**13.20**	**42.48**

As at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	7.06	0.06	-	0.10	-	-	7.22
(ii) Others	3.62	0.16	2.20	-	-	-	5.98
Total	**10.68**	**0.22**	**2.20**	**0.10**	**-**	**-**	**13.20**

As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	0.68	-	-	-	-	-	0.68
(ii) Others	41.80	-	-	-	-	-	41.80
Total	**42.48**	**-**	**-**	**-**	**-**	**-**	**42.48**

14. Other financial liabilities (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable for property, plant and equipment	0.07	126.45
Interest accrued but not due on loans	33.56	20.92
Other payables	1.59	0.81
Total	**35.22**	**148.18**

15. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	1.16	2.43
Others	8.99	-
Total	**10.15**	**2.43**

16. Revenue from operations

Particulars	For the year ended March 31, 2024	March 30, 2022 to March 31, 2023
Revenue from power supply	424.86	-
Total	**424.86**	**-**

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Disclosure pursuant to IND AS 115: Revenue from contracts with customers

Particulars	For the year ended March 31, 2024	March 30, 2022 to March 31, 2023
i) Revenue by category of contracts:		
Over a period of time basis	424.86	-
At a point in time basis	-	-
Total revenue from contracts with customers	**424.86**	**-**
ii) Revenue by geographical market:		
Within India	424.86	-
Outside India	-	-
Total revenue from contracts with customers	**424.86**	**-**

iii) Reconciliation between revenue recognised in Statement of profit and loss and contract price

There is no material variation between revenue recognised in Statement of profit and loss and contract price.

The Company applies practical expedient included in para 121 of Ind AS 115 and does not disclose information about its remaining performance obligations for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed till date.

17. Other income

Particulars	As at March 31, 2024	March 30, 2022 to March 31, 2023
Interest income from financial assets at amortised cost	3.31	1.75
Net reversal of corporate overhead allocation*	28.15	-
Total	**31.46**	**1.75**

*During the year, the Holding Company has revised the method of charging common expenditure to its subsidiaries including for the amount already charged during the previous period ended March 31, 2023 This resulted in savings of Rs 34.52 lakhs. Amount disclosed is after net off expenses during the year.

18. Finance costs

Particulars	For the year ended March 31, 2024	March 30, 2022 to March 31, 2023
Interest expense on financial liabilities measured at amortised cost	261.23	-
Interest on delay in tax payment	-	0.80
Total	**261.23**	**0.80**

Since the borrowings were specifically for the purpose of obtaining and construction of qualifying assets, borrowing cost has been capitalised at actual.

19. Depreciation expense

Particulars	For the year ended March 31, 2024	March 30, 2022 to March 31, 2023
Depreciation of property, plant and equipment	149.66	-
Total	**149.66**	**-**

20. Other expenses

Particulars	For the year ended March 31, 2024	March 30, 2022 to March 31, 2023
Operation & maintenance charges	43.69	-
Electricity charges	7.31	-
Rates and taxes	12.04	0.89
Insurance	6.40	-
Travelling and conveyance	4.44	-
Communication expenses	0.07	-
Printing and stationery	0.06	0.02
Professional charges	9.70	0.99
Director Sitting Fees	3.30	-
Auditor's remuneration (Refer below note)	0.59	1.77
Corporate overhead allocation	-	38.69
Miscellaneous expenses	1.21	0.68
Total	**88.81**	**43.04**

The Company does not meet the criteria specified in subsection (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current and previous year.

Note: Auditor's remuneration

Particulars	For the year ended March 31, 2024	March 30, 2022 to March 31, 2023
Statutory audit fees (Including GST)	0.59	1.77
Total	**0.59**	**1.77**

21. Loss per share

Particulars	For the year ended March 31, 2024	March 30, 2022 to March 31, 2023
Net Loss attributable to the equity shareholders of the Company	(43.38)	(50.68)
Weighted average number of equity shares of Rs.10/- each	11,535,006	6,490,723
Basic and Diluted Loss per share	**(0.38)**	**(0.78)**

22. Contingent liabilities

There are no liabilities of contingent nature.

23. Capital and other commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Nil.

24 Related party disclosures

A Immediate Holding Company

First Energy Private Limited

B Ultimate Holding Company

RDA Holding Private Limited

C Intermediate Holding Company

Thermax Limited (most senior parent that produces consolidated financial statements for public use)

D Entities under common control with whom transactions have taken place

Jalansar Wind Energy Private Limited (w.e.f. June 23, 2022)

Kanakal Wind Energy Private Limited (w.e.f. June 23, 2022)

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

E Key management personnel:

1. Mr. Ravi Damaraju - Director (w.e.f March 30,2022)
2. Mr. Mitish Somani - Director(till April 5, 2024)
3. Sandeep Mandke - Director (w.e.f. March 30, 2023)
4. Harpreet Singh - Director (Till March 31, 2023)
5. Mr. Sanjay Parande - Director (w.e.f May 09, 2023)
6. Mr. Ashok Joshi - Director (w.e.f. May 09, 2023)
7. Mr. Prakash Patil - Director (w.e.f. May 09,2023)
8. Mr. Abhishek Kangokar - CFO (w.e.f May 02,2024)
9. Mr. Omkar Bhide - CS (w.e.f May 02,2024)

F Transactions with Related parties:

Particulars	For the year ended March 31, 2024	March 30, 2022 to March 31, 2023
With Immediate holding company		
First Energy Private Limited		
Subscription for equity shares by holding company	-	853.50
Loan taken	246.00	
Loan Repaid	11.00	
Interest on loan	14.92	29.69
Reimbursement of expenses (inclusive of reimbursement of capital expenditure)	6.37	2,567.99
Reversal of corporate overhead (net)	34.52	-
Entities under common control		
Jalansar Wind Energy Private Limited		
Reimbursement of expenses	2.85	1.04
Kanakal Wind Energy Private Limited		
Reimbursement of expenses	0.28	1.56
Key management personnel compensation		
Short term employee benefits (Directors' sitting fees)	3.30	-

G Outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Balances as at the period/year end		
Immediate Holding Company		
First Energy Private Limited		
Payable for property, plant and equipment payable	-	24.62
Trade Payables	4.13	36.09
Borrowing	235.00	-
Interest accrued during the year	13.35	-
Entities under common control		
Jalansar Wind Energy Private Limited		
Trade Payables	0.01	1.04
Kanakal Wind Energy Private Limited		
Trade Payables	0.01	1.56

H Terms and conditions for outstanding balances

All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings, refer note 12.

The transactions entered with related parties are at arm's length basis.

25. Fair value measurements

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payable	13.20	42.48
Borrowing	2,799.40	2,643.47
Payable for property, plant and equipment	0.07	126.45
Other payables	1.59	0.81
Interest payable	33.56	20.92
Total	**2,847.82**	**2,834.13**
Current financial liabilities	192.79	251.23
Non-current financial liabilities	2,655.03	2,582.90
Total	**2,847.82**	**2,834.13**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	41.14	-
Other financial assets	5.39	5.37
Cash and cash equivalents	40.77	58.66
Bank balances other than cash and cash equivalents	87.38	-
Total	**174.68**	**64.03**
Current financial assets	169.31	58.66
Non-current financial assets	5.37	5.37
Total	**174.68**	**64.03**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

26. Financial risk management

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Risk is inherent in the Company'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 Company's continuing operations. The company is exposed to market risk, credit risk and liquidity risk.

Management of the Company is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. 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 fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

The sensitivity analysis in the following sections relate to the position as at March 31, 2024

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	2,564.40	2,643.47

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	March 31, 2024
Interest rates - Increase by 50 basis points	(13.38)
Interest rates - Decrease by 50 basis points	13.38

Impact due to sensitivity of interest rate is not calculated for comparative period, because the Company's loss before tax was not affected through the impact on floating rate borrowings, as borrowing was towards acquiring a qualifying asset and the related interest was capitalised according to IND AS 23.

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.

The company has not entered into any foreign currency transaction during the period and hence not exposed to any foreign currency 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 from its investing activities including deposits with banks.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters. An impairment analysis is performed based on expected credit loss model at each reporting date. 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 below. There is no charge of impairment to Statement of profit and loss.

Expected credit loss for trade receivable under simplified approach

Trade receivables	As at March 31, 2024		
	Gross	Expected loss rate	Expected loss allowance
Unbilled	41.14	0%	-
Total	**41.14**		**-**

Balance with banks

Credit risk from balances with banks is managed by the Parent Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

Other financial assets carried at amortised cost

Company's exposure to other financial asset includes security deposits which is considered to be low risk. No loss allowance is required to be recognised for the same.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below summarises the company's financial liabilities into relevant maturity profile based on contractual undiscounted payments :

March 31, 2024	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	144.37	374.90	207.82	2,139.38
Trade Payables	-	13.20	-	-	-
Other financial liabilities	-	35.22	-	-	-

March 31, 2023	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	60.57	184.14	205.66	2,241.63
Trade Payables	-	42.48	-	-	-
Other financial liabilities		148.18	-	-	-

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

31 Analytical ratios

Sr. No.	Particulars	Numerator	Denominator	For the year ended March 31, 2023	For the period ended March 31, 2023	Variance	Reasons for variance of more than 25%
1	Current Ratio	Current Assets	Current Liabilities	0.87	0.25	249%	Refer Note (i)
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	2.67	2.42	10%	Not applicable
3	Debt Service Coverage Ratio	"Earnings available for debt service (Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)"	Debt Service (Interest & Lease Payments + Principal Repayments)	1.07	(1.45)	-74%	Refer Note (i)
4	Return on Equity	Net Profits after taxes before exceptional items	Average Shareholder's Equity	-4.06%	-4.65%	-1%	Not applicable
5	Return on investment	Earning before interest and taxes	Total assets	5.58%	-1.05%	-7%	Not applicable
6	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	3.19	1.01	-218%	Refer Note (i)
7	Return on Capital employed	Earning before interest and taxes	Capital Employed	5.66%	-1.05%	-7%	Not applicable
8	Trade Receivables turnover Ratio	Total Sales	Trade Receivable	10.33	Not applicable	Not applicable	Refer Note (ii)
9	Net capital turnover Ratio	Total Sales	Working Capital	-15.97	Not applicable	Not applicable	Refer Note (ii)
10	Net Profit Ratio	Net Profits after taxes	Revenue	-10%	Not applicable	Not applicable	Refer Note (ii)

Capital employed = Tangible Net worth + total debt

Working Capital = Current assets less Current liabilities

Average = (Opening + Closing)/2

Note:

(i) Considering the Company completed construction of renewable plant and has started generating power during the year, there are significant transactions incurred during the year resulting in increase in expenses, revenue, trade receivables. Whereas, payments made to outstanding capital creditors resulted in reduction in cash and bank balances and payables.

(ii) As no sales during the previous period, sales and purchases were NIL. Thus, Comparative period ratios are not calculated wherever Sales and purchases amounts are considered for calculation.

28 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

	As at March 31, 2024	As at March 31, 2023
Borrowings	2,799.40	2,643.47
Less: Cash and cash equivalents (includes other bank balances)	128.15	58.66
Net debt	**2,671.25**	**2,584.81**
Equity	1,046.75	1,090.13
Net Debt to Equity	**2.55**	**2.37**

There is no major variation in debt to equity ratio.

Loan Covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

(i) Fixed asset coverage ratio should not be less than 1.24 times in the year and;

(ii) Debt Service Coverage Ratio (DSCR) does not fall below 1.25 and;

(iii) Interest Service Coverage Ratio should be minimum 1.50 and;

(iii) Total outstanding liabilities/Tangible Net With is less than or equal to 4:1

Some of the debt covenants were not complied as at March 31,2024, refer note 12(b) for details.

Notes to the Financial Statements for the year ended March 31, 2024

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

29. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Dues to small-scale industrial undertakings have been worked out on the basis of information available with the Management.

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount dues to micro and small enterprises*	7.22	0.68
	- Interest due thereon	0.01	-
b)	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.	-	-
c)	The amount of payment made to the supplier beyond the appointed day during the year.	3.56	-
d)	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.	-	-
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.06	-
f)	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.	-	-

30. Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz "Producer of power through renewable energy source". Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

31. Other statutory information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current period.

(iv) There is no income surrendered or disclosed as income during the current in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current period.

(viii) Utilisation of borrowed funds and share premium

The Company has 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.

The Company has 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.

36 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

The primary accounting software used for maintaining its books of account 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 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.

32. 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations. The primary accounting software used for maintaining its books of account 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 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."

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 2 Private Limited

Sandeep Mandke
Director
DIN : 09619581

Ravi Damaraju
Director
DIN : 09554649

Prakash Patil
Chief Executive Officer

Abhishek Kangokar
Chief Financial Officer

Omkar Bhide
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 3 Private Limited

Board of Directors	Registered Office	Auditors
Mitish Somani (upto April 05, 2024) Ravi Damaraju Sandeep Mandke Sanjay Parande Ashok Joshi	Unit No. 601, 6th Floor, Cello Platina, F.C. Road, Shivajinagar, Pune 411005	Price Waterhouse & Co. Chartered Accountants LLP 7th Floor, Business Bay, Tower A, Wing -1, Airport Road, Yerwada, Pune 411006

Key Managerial Personnel	Bankers
Anjali Lothe - CEO Omkar Sheth - CFO (Upto January 29, 2024) Veda Pathak - CS	Bank of Maharashtra

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure in presenting the Second Annual Report, together with the audited financial statements of your Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total income	2976.17	46.36
Profit /(Loss) before finance cost, depreciation, and tax	2695.01	(170.87)
Finance Cost	2291.84	-
Profit/(Loss) before depreciation and tax	403.17	(170.87)
Depreciation and impairment	1241.56	-
Profit/(Loss) before tax	(838.39)	(170.87)
Provision for taxation (incl. deferred tax)	-	-
Items that are not to be reclassified to profit or loss	-	-
Profit/(Loss) after tax	(838.39)	(170.87)

State of Company's Affairs

During the year, the Company commissioned its hybrid project of 25MW (24.3MW Wind & 27.5MWp Solar) in the State of Gujarat in June 2023 and has been in stable operation since commissioning.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

In a view of accumulated losses, the directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the Company has not transferred any amount to the General Reserve.

Share Capital

During the year there were no changes in the capital structure of the Company. The Paid-up Share Capital of the Company is Rs 99,80,90,000 divided into 9,98,09,000 Equity shares of Rs.10 each. The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity during the year.

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

The details of loans and investments covered under the provisions of section186 of the Companies Act, 2013, are given in the notes to the Financial Statements. During the year, the Company did not give any guarantee.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors, or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Renewable Energy business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involved the risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also collaborates with competent local infra partners and engages with experienced and capable service partners.

- **Renewable Sources and Grid Availability**

  The risk identified by the Company is lower generation on account of lower radiation, wind speed, and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources and accordingly sizes the plant and the financial models for arriving at the right tariff for the available conditions. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk involved the risk of revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using waterless robotic technology for cleaning modules and therefore manpower dependency is reduced.

  The Board at its meetings periodically reviews and monitors these risks and their mitigation plan.

First Energy 3 Private Limited

Health and Safety

Across all its operational assets, sites and offices, the company implements policies that covers Health and safety.

The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors & Key Managerial Personnel

During the year, the appointment of Mr. Sanjay Parande (DIN: 07161299) and Mr. Ashok Joshi (DIN: 02296952), Additional Independent Directors of the Company was regularized in the Annual General Meeting held on July 27, 2023.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sandeep Mandke (DIN: 09619581) retires by rotation and being eligible offers, himself for re-appointment. The proposal of re-appointment forms part of the Notice of the Second AGM of the Company.

During the year, Mr. Omkar Sheth resigned as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from January 29,2024.

Policy on appointment and remuneration of directors and key managerial personnel

The Board has adopted a policy on selection and appointment of Directors and remuneration of Directors, KMPs and employees. The Directors do not receive any remuneration except independent directors who are entitled to sitting fees as approved by the Board for each Board/Committee meeting attended. A detailed policy is annexed herewith as Annexure 1 and forms part of this report.

Declaration by Independent Directors

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and have also confirmed that their names have been added in the data bank maintained by the Indian Institute of Corporate Affairs for independent directors, in accordance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, every individual whose name is so included in the data bank shall pass an online proficiency self-assessment test. However, an individual who has fulfilled the criteria prescribed in Rule 6(4) of the said Rules, is exempted from passing the online proficiency self-assessment test. In view of the same, Mr. Sanjay Parande, having met the aforesaid criteria, was exempted from the proficiency self-assessment test and Mr. Ashok Joshi has passed the proficiency self-assessment test.

The Board is of the opinion that the Directors of the Company are eminent persons with integrity and have necessary expertise and experience to continue to discharge their responsibilities as Directors of the Company.

Board Meetings

During the year, the Board met four times on May 9, 2023, July 25, 2023, October 25, 2023, and January 29, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Independent directors meeting

During the year under review, the independent directors met once on January 29, 2024, where all independent directors were present inter alia to review the performance of the Board and non-independent directors of the Company.

Committees of the Board

The Board has constituted the following committees viz. Audit Committee and Nomination and Remuneration Committee.

Audit Committee

The Audit Committee of the Board of Directors was constituted on December 23, 2022. The committee comprises of all directors being non-executive directors viz Mr. Sanjay Parande as the Chairman and Mr. Ashok Joshi & Mr. Mitish Somani as members of the committee. The committee met four times during the year on May 09,2023, July 25,2023, October 25, 2023, and January 29, 2024. Further, all the recommendations made by the audit committee were accepted by the Board.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors was constituted on December 23, 2022. The committee comprises of all directors being non-executive directors viz Mr. Ashok Joshi as the Chairman and Mr. Sanjay Parande & Mr. Ravi Damaraju as members of the committee. The committee met twice on May 09,2023 and January 29, 2024.

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 judgment 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 or loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

During the year, RPTs were placed before the Board /Audit Committee for noting purposes. A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Conservation of energy and technological absorption

The Company is in the business of renewable energy. The Company aims to conserve the environment by bringing about significant change in methods of using energy through the application of Solar, Wind and associated Renewable energy generation sources for commercial & industrial customers. As a part of its "Build-Green" initiatives, the Company has installed solar powered Robots to clean the solar modules at the Opex projects thus ensuring waterless cleaning.

In the case of Technology absorption, the Company used higher rated (540 & 550Wp) Monoperc PV models with better efficiency. The structure is designed to withstand the wind load. Robot technology is being adopted for cleaning the modules and this will help to conserve water and reduce soiling losses.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the Company is a subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the roll of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

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

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of Companies Act, 2013 as on March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing employees with a safe and conducive work environment. No cases were pending at the beginning of the year/ filed during the year, according to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of onetime settlement with any Bank or Financial Institution.

Vigil mechanism

The Company has adopted the whistle blower policy of Thermax Limited, the holding company of the Company, which is applicable to all subsidiaries of Thermax Limited.

Auditors

Statutory Auditors

M/s Price Waterhouse Chartered Accountants LLP, (Firm Registration Number. 012754N/N500016) were appointed as Statutory Auditors of the Company for a period of Five years from the conclusion of the 1st Annual General Meeting (AGM) till the conclusion of the 6th AGM. The Auditors' Report for FY 2023-24 does not contain any qualification, reservation, or adverse remark.

Secretarial Auditors

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 Ladda Bhutada & Associates, 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 2 to this Report.

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

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions:

a. The State has notified all relevant policies and regulations for Renewable Energy projects, providing policy and regulatory certainty for open access projects (Green Open Access Rules, Wind Solar Hybrid Tariff Order, Gujarat Renewable Energy Policy 2023)

b. Due to the green open access regulations, captive demand in the state is set to expand. Open access is now allowed for consumers with smaller connected loads (> 100kW). This has a positive impact on the business of the Company.

c. The Hon'ble Supreme Court vide order dated 9th Oct 2023, has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, minimum 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work, and support.

For and on behalf of the Board of Directors of

First Energy 3 Private Limited

Ravi Damaraju	**Sandeep Mandke**
Director	Director
DIN - 09554649	DIN: 09619581

Pune, May 02, 2024

First Energy 3 Private Limited

Annexure - 1

Policy on Selection and Appointment of Directors and Remuneration of Directors, KMPs and Employees

The Nomination & Remuneration Committee (NRC) has prepared a "Terms of Reference" (TOR), which, inter alia, deals with laying down the criteria for the selection of Non-Executive Directors (NEDs), based on the requirements of the organization, including the qualifications, and determining the independence of Directors. The NRC has also laid down the criteria for the evaluation of the performance of the Board and guidelines for determining the remuneration of Directors. This Policy is based on the above TOR of NRC:

(1) Criteria for selection and appointment of Directors:

(a) The Director shall have relevant expertise and experience commensurate with the requirements of the Company to discharge the duties as a Director.

(b) While selecting a director, the emphasis be given to the qualifications, experience, and personal and professional standing of the incumbent.

(c) Assess the independence and nature of the appointment as Director vis-à-vis any conflict-of-interest w.r.t. any pecuniary relationship and procure necessary declaration.

(d) The Director is not disqualified for appointment u/s. 164 of the Companies Act, 2013.

(e) In the event of re-appointment of the Director, due emphasis be given to the performance evaluation of the Director during his tenure.

(2) Remuneration:

The remuneration payable to Directors shall be in accordance with Sec. 197 of the Companies Act, 2013 and other applicable provisions & rules made thereunder from time to time.

The Directors shall also be eligible to receive reimbursement of expenses for participation in the Board and Committee Meetings.

The Independent Directors shall be entitled to receive remuneration by way of sitting fees for attending the meetings of the Board as well as the Committees.

(3) Criteria for selection of MD, WTD & CEO:

For selection of the MD, WTD and CEO, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendations, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria regarding age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

(4) Remuneration for MD, WTD & CEO:

i. At the time of appointment or re-appointment, the Managing Director (MD), Whole Time Director (WTD) and Chief Executive Officer (CEO) shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the MD, WTD and CEO within the overall limits prescribed under the Companies Act, 2013.

ii. The remuneration shall be subject to the approval of the Members of the Company in the General Meeting.

iii. The remuneration of the MD, WTD and CEO is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises a performance bonus.

iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure/consider the following:

a. the relationship of remuneration and performance benchmarks is clear.

b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals.

c. responsibility required to be shouldered by the MD, WTD and CEO, the industry benchmarks, and the current trends.

d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

(5) Remuneration Policy for Senior Management, KMPs and employees:

The NRC, while determining the remuneration of Senior Management/employees and KMPs shall ensure the following:

(i) The remuneration is divided into Fixed component & Variable Component.

(ii) The division is based on the fixed salary and performance bonuses.

(iii) The division between fixed and variable is based on the roles & responsibilities, the Company's performance vis-à-vis KRA & KPIs, industry benchmark and current compensation trends in the market.

Based on the Annual Business Plan prepared, Individual Contribution Plan (ICP) is prepared by the Senior Management which is agreed upon. It broadly contains certain targets for strategic objectives, operational excellence-oriented initiatives, and business deliverables. The actual performance of individual repartee will be discussed by the MD and CEO at the year's end. Based on the appraisal and overall performance of the Company and after considering the market trends, suitable increments/variable pay shall be decided by the MD and CEO.

The MD & CEO will present a snapshot of the evaluation carried out to assess the performance of the Whole-time Director, while recommending the annual increment of the NRC, for its review and approval.

Annexure - 2

Secretarial Audit Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 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,
FIRST ENERGY 3 PRIVATE LIMITED
Regd. Office Address: 6th Floor, Office No. 601 Cello Platina,
F. C. Road, Shivajinagar, Pune - 411005, Maharashtra, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. First Energy 3 Private Limited** bearing **CIN: U40100PN2022PTC211607** (hereinafter called **'the Company'**). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Report on Secretarial Records and Compliances made thereunder

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representation made by the Management we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 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 on a test basis 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 there under;

ii. The Securities Contracts (Regulation) Act, 1956, (SCRA) and the rules made thereunder; **Not applicable;**

iii. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, and the Regulations and Bye-laws framed thereunder; **Not applicable;**

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **Not applicable;**

v. The Company is not listed on any Stock Exchange in India hence the following Acts, Regulations, Guidelines etc., were **not applicable** to the Company:

(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 (Issue and Listing of Debt Securities) Regulations, 2008;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi. As per the management representation no other laws applicable except mentioned below specifically to the Company during the audit period:

(a) The Indian Contract Act, 1872

(b) The Income Tax, 1961

(c) The Goods and Service Tax Act, 2017

(d) The Electricity Act, 2003

(e) The Indian Stamp Act, 1899 and The Maharashtra Stamp Act, 1958

(f) The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 and The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules, 2018.

(g) The Factories Act, 1948 and other allied State wise Factories Rules wherever the sites are located.

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

(i) Secretarial Standards as issued and notified by The Institute of Company Secretaries of India relating to Board Meetings and General Meetings: During the Year ended 31st March, 2024, the Company has complied with the applicable clauses of Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible.

(ii) The Listing agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015; **Not applicable**

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company has been duly constituted with proper balance of Non-Executive and Independent Directors, the changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

   1.1. There was the regularization of two Independent Directors namely, Mr. Ashok Keshav Joshi (DIN: 02296952) and Mr. Sanjay Dinkar Parande (DIN: 07161299) w.e.f. July 27, 2023.

   1.2. Mr. Omkar Pravin Sheth (PAN: BCIPS7314G) who was appointed as Chief Financial Officer (CFO) has been resigned from the post of CFO w.e.f. January 29, 2024.

2. Adequate notice(s) have been given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and, in case of shorter notice, compliance as required under the Act has been made by the Company 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.

3. All the decisions in the board meetings were carried through by majority while there were no dissenting member's views and hence not captured and recorded as part of the minutes.

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

We further report that during the audit period the Company has following events /actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, as may be referred to above:

i. The Board has approved the revision of the Authorized Signatories for investing of surplus funds of the Company upto limit of Rs.100,00,00,00 (Rupees Hundred Crores Only) in Mutual Funds in the Board Meeting held on July 25, 2023.

ii. The Board of Directors at the Board Meeting on 25th October, 2023 have approved the following items by passing unanimous resolution subject to approval of members-

  (a) Alteration of Article of Association of the Company

  (b) Creation of Security on Properties of the Company pursuant to section 180 of the Companies Act, 2013.

iii. The Members at the general meeting on January 25, 2024 have approved following items, by way of special resolution-

  (a) Alteration of Article of Association of the Company

  (b) Creation of Security on Properties of the Company pursuant to section 180 of the Companies Act, 2013.

iv. The Board Committees, namely Audit Committee and Nomination and Remuneration Committee have been constituted and have met 4 times and 2 times respectively.

For Ladda Bhutada And Associates,
Company Secretaries,
ICSI Unique Code: P2009MH019500
Peer Review Cert. No.: 3288/2023

Pramodkumar Ladda
Partner
FCS: 7326; COP No.: 8006
ICSI UDIN: F007326F00296274

Date: May 02, 2024

Place: Pune

Note: *This report is to be read with Annexure A, which forms an integral part of this report.*

Annexure-A'

To the Secretarial Audit Report

For the financial year ended 31st March 2024

To,

The Members,

FIRST ENERGY 3 PRIVATE LIMITED

Regd. Office Address: 6th Floor, Office No. 601 Cello Platina,

F. C. Road, Shivajinagar, Pune - 411005, Maharashtra, India.

Our Secretarial Audit report for the financial year ending 31st March, 2024, 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. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. We have followed the audit practice 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.

Disclaimer

6. 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 test basis.

7. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For Ladda Bhutada And Associates,
Company Secretaries,
ICSI Unique Code: P2009MH019500
Peer Review Cert. No.: 3288/2023

Pramodkumar Ladda
Partner
FCS: 7326; COP No.: 8006
ICSI UDIN: F007326F00296274

Date: May 02, 2024

Place: Pune

First Energy 3 Private Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy 3 Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of First Energy 3 Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

10. 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.

Report on other legal and regulatory requirements

11. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) 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.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 35(viii) to the 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, as disclosed in the Note 35(viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the year.

        vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

13. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJCZ4764
Place : Pune
Date : May 8, 2024

First Energy 3 Private Limited

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of First Energy 3 Private Limited on the financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of First Energy 3 Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJCZ4764
Place : Pune
Date : May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of First Energy 3 Private Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(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), as disclosed in Note 3 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment(including Right of Use assets). Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has made investments in 4 mutual fund schemes. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, accordingly to this extent, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

(b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.

(c) The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. .(a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. .(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 16 to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central

Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions havebeen disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv. (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company’s internal audit system is commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year and had incurred cash losses of Rs. 170.87 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN : 24134593BKFJCZ4764
Place : Pune
Date : May 8, 2024

Balance Sheet as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3a	37,370.84	149.83
Right-of-use assets	3b	1,256.66	1,291.98
Capital work-in-progress	3a	-	34,364.79
Financial assets			
(a) Other financial assets	4	0.19	75.00
Deferred tax assets (net)	5	-	-
Income tax assets (net)	6	3.29	4.90
Other non-current assets	7	38.23	49.39
Total non-current assets		**38,669.21**	**35,935.89**
Current assets			
Financial assets			
(a) Investments	8	154.36	-
(b) Trade receivables	9	646.53	-
(c) Cash and cash equivalents	10	242.48	9,562.70
(d) Bank balances other than (c) above	11	38.90	-
(e) Other financial assets	12	126.81	4.75
Other current assets	13	37.29	29.45
Total current assets		**1,246.37**	**9,596.90**
Total Assets		**39,915.58**	**45,532.79**
Equity and Liabilities			
Equity			
Equity share capital	14	9,980.90	9,980.90
Other equity	15	(1,105.55)	(267.16)
Total Equity		**8,875.35**	**9,713.74**
Non-current liabilities			
Financial liabilities			
(a) Borrowings	16a	29,274.76	25,049.91
(b) Lease liabilities	27	645.35	617.91
Total non-current liabilities		**29,920.11**	**25,667.82**
Current liabilities			
Financial liabilities			
(a) Borrowings	16b	712.00	8,105.88
(b) Lease liabilities	27	37.82	8.88
(c) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises	17	9.43	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	42.75	181.14
(d) Other financial liabilities	18	292.96	1,775.14
Other current liabilities	19	25.16	80.19
Total current liabilities		**1,120.12**	**10,151.23**
Total Equity and Liabilities		**39,915.58**	**45,532.79**

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note No	For the Year ended March 31, 2024	May 25, 2022 to March 31, 2023
Income			
Revenue from operations	20	2,835.94	-
Other income	21	140.23	46.36
Total Income		**2,976.17**	**46.36**
Expenses			
Finance costs	22	2,291.84	-
Depreciation expense	23	1,241.56	-
Other expenses	24	281.16	217.23
Total Expenses		**3,814.56**	**217.23**
Loss before tax		**(838.39)**	**(170.87)**
Tax expense			
Current tax		-	-
Loss for the year		**(838.39)**	**(170.87)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(838.39)**	**(170.87)**
Loss per equity share			
Basic and Diluted (nominal value per share Rs 10)	25	**(0.84)**	**(0.44)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 3 Private Limited

Sandeep Mandke
Director
DIN : 09619581

Ravi Damaraju
Director
DIN : 09554649

Anjali Lothe
Chief Executive Officer

Veda Pathak
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 3 Private Limited

Statement of Cash flow for the year ended March 31, 2024

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

	Particulars	Year ended March 31, 2024	May 25, 2022 to March 31, 2023
A)	**Cash flows from operating activities**		
	Loss before tax	(838.39)	(170.87)
	Adjustments for		
	Depreciation expenses	1,241.56	-
	Finance costs	2,291.84	-
	Interest income from financial assets at amortised cost	(14.28)	(46.36)
	Net Gain on Mutual Fund measured at fair value through profit or loss	(9.30)	-
	Working capital adjustments		
	(Increase) in trade receivables	(646.53)	-
	(Increase) in other financial assets	(125.19)	(4.75)
	(Increase) in other assets	(5.71)	(69.81)
	Increase/(decrease) in trade payables	(128.96)	181.14
	Increase/(decrease) in other liabilities	(55.03)	80.19
	Increase in other financial liabilities	1.25	-
	Cash generated from/(used in) operations	**1,711.26**	**(30.46)**
	Income taxes paid (net of refunds received)	1.61	(4.90)
	Net cash generated from/(used in) operating activities	**1,712.87**	**(35.36)**
B)	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(5,123.63)	(32,253.02)
	Payment for purchase of current investments	789.96	-
	Proceeds from sale of current investments	(935.02)	-
	Interest income from financial assets at amortised cost	17.22	46.36
	Fixed deposits placed with Banks	(38.90)	(75.00)
	Redemption of fixed deposits	75.00	-
	Initial direct cost pertaining to right-of-use assets	-	(583.23)
	Net cash flows used in investing activities	**(5,215.37)**	**(32,864.89)**
C)	**Cash flows from financing activities**		
	Proceeds from issue of equity shares	-	9,980.90
	Proceeds from borrowings	4,836.34	50,708.80
	Repayment of borrowings	(8,005.37)	(17,280.92)
	Transaction cost for availing borrowing	-	(272.09)
	Cost related to issue of own equity instruments	-	(96.29)
	Interest paid (Includes capitalised amount Rs 599.47; March 31, 2023- Rs 456.50)	(2,639.20)	(456.50)
	Principal element of lease payments	(9.49)	(120.95)
	Net cash flows from/(used in) financing activities	**(5,817.72)**	**42,462.95**
	Net increase/(decrease) in cash and cash equivalents	**(9,320.22)**	**9,562.70**
	Cash and cash equivalents at the beginning of the year/period	9,562.70	-
	Cash and cash equivalents at the end of the year/period	**242.48**	**9,562.70**
	Non-cash financing and investing activities		
	-Acquisition of right-of-use assets	7.28	726.65

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents(refer note: 10)	242.48	9,562.70
Balance as per statement of cash flows	**242.48**	**9,562.70**

Notes:

i) Statement of Cash Flows has been prepared under the "Indirect Method" in accordance with 'IND AS 7: Statement of Cash Flows'.

ii) Refer Note 16(b) for Net debt reconciliation

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.
As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 3 Private Limited

Sandeep Mandke
Director
DIN : 09619581

Ravi Damaraju
Director
DIN : 09554649

Anjali Lothe
Chief Executive Officer

Veda Pathak
Company Secretary

Place: Pune
Date: May 2, 2024

Statement of changes in Equity for the year ended March 31, 2024

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

A. Equity Share Capital

Particulars	Amount
As at May 25, 2022	**-**
Issue during the period	9,980.90
As at March 31, 2023	**9,980.90**
Issue during the year	-
As at March 31, 2024	**9,980.90**

B Other Equity

Particulars	Retained Earnings	Total
As at May 25, 2022		
Loss for the period	(170.87)	(170.87)
Other Comprehensive Income	-	-
Total Comprehensive Loss for the period	**(170.87)**	**(170.87)**
Cost related to issue of Own Equity Instruments	(96.29)	(96.29)
As at March 31, 2023	**(267.16)**	**(267.16)**
Loss for the year	(838.39)	(838.39)
Other comprehensive income for the year	-	-
Total Comprehensive Loss for the year	**(838.39)**	**(838.39)**
As at March 31, 2024	**(1,105.55)**	**(1,105.55)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 3 Private Limited

Sandeep Mandke
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Chief Executive Officer

Veda Pathak
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 3 Private Limited

Notes to the financial statements for the year ended March 31, 2024

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

1. Corporate information

First Energy 3 Private Limited ("the Company") is a private limited company domiciled in India and incorporated on May 25, 2022 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of solar and wind power.

The address of the Company's registered office is 6th Floor, Office No 601, Cello Platina, FC Road, Shivaji Nagar, Pune, Maharashtra – 411005. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U40100PN2022PTC211607.

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation and measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments);

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company:

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Summary of material accounting policies

a. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from Sale of power

Revenue from sale of power is recognised at transaction price and over time for each unit of electricity delivered at the contracted rate. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

At the end of each reporting period, the Company updates the estimated transaction price to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. The Company accounts for such changes in the transaction price (including claims). Consideration / claim payable to a customer includes cash amounts that an entity pays to the customer. The Company accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. The consideration payable to a customer includes a variable amount.

Trade receivables: 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). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	10 to 25	10 to 15
Building	30	3 to 30
Furniture and Fixtures	10	10
Computers	3	3
Roads	3	3

c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Notes to the financial statements for the year ended March 31, 2024

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

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

d. Leases

Company as a lessee

The Company lease asset classes primarily consist of leasehold lands. 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 recognizes a right-of-use 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized 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.

Right-of-use 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. Right of use 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 and amounts expected to be paid under residual value guarantees. There are no variable lease payments.

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 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.

2.4. Summary of other accounting policies

a. 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

All financial assets (excluding trade receivables which do not contain a significant financing component) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 derecognized 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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Property, plant and equipment (PPE)

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

d. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Share capital

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

Notes to the financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

g. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

h. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

i. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

j. Segment reporting

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 been identified as the chief operating decision maker of the Company.

k. Contingent liabilities

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.

l. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

m. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.5.1 Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Ind AS 116 – Leases

In determining whether revenue contract (power purchase agreement) with customer especially when entire contractual capacity of one project (solar / wind project) is committed to one customer, management exercises judgement in concluding whether contract contains lease. Management takes into consideration who is responsible for design of the project and who has right to direct the use of solar plant.

ii. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

iii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

v. Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

Notes to the financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

3 (a) Property, Plant and Equipment

Particulars	Land Freehold	Plant and Machinery	Building	Furniture and Fixture	Computer	Roads	Total	Capital work-in-progress
Gross carrying amount:								
As at May 25, 2022	-	-	-	-	-	-	-	-
Additions	149.83	-	-	-	-	-	149.83	34,364.79
Deduction	-	-	-	-	-	-	-	-
As at March 31, 2023	**149.83**	-	-	-	-	-	**149.83**	**34,364.79**
Additions	-	38,204.99	134.89	2.93	1.43	82.00	38,426.24	4,061.45
Deduction / transfer	-	-	-	-	-	-	-	38,426.24
As at March 31, 2024	**149.83**	**38,204.99**	**134.89**	**2.93**	**1.43**	**82.00**	**38,576.07**	-
Accumulated Depreciation								
As at May 25, 2022	-	-	-	-	-	-	-	-
For the period	-	-	-	-	-	-	-	-
Deduction	-	-	-	-	-	-	-	-
As at March 31, 2023	-	-	-	-	-	-	-	-
For the year	-	1,174.75	10.97	0.29	0.36	18.86	1,205.23	
Deduction	-	-	-	-	-	-	-	-
As at March 31, 2024	-	**1,174.75**	**10.97**	**0.29**	**0.36**	**18.86**	**1,205.23**	-
Net carrying amount:								
As at March 31, 2024	**149.83**	**37,030.24**	**123.92**	**2.64**	**1.07**	**63.14**	**37,370.84**	-
As at March 31, 2023	**149.83**	-	-	-	-	-	**149.83**	**34,364.79**

See note 16 for information on property, plant and equipment pledged as security by the Company

(b) Ageing of capital work-in-progress

Particulars/ Projects	As at March 31, 2023				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress					
40 MV Solar project	34,364.79	-	-	-	34,364.79
Sub-total	**34,364.79**	-	-	-	**34,364.79**

Capital work-in-progress balances pertained to overdue project and was completed and capitalised in June 2023.

Capitalization of expenses

During the period, the Company has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net off amounts capitalized.

Particulars	As at March 31, 2024	As at March 31, 2023
Reimbursement of salaries and wages	31.06	348.69
Interest and reimbursement of Interest expenses*	599.47	456.50
Depreciation and reimbursement of depreciation*	10.03	51.95
Reimbursement of Others Expenses	2.31	55.17
Total	**642.87**	**912.31**

* Reimbursement of interest and depreciation relates to expenses pertaining to rental property for which right-of-use assets and lease liabilities have been recognised.

3(b) Right- of- use assets

Particulars	Land Freehold	Total
Gross Block		
As at May 25, 2022	-	-
Additions*	1,309.88	1,309.88
Deductions	-	-
As at March 31, 2023	**1,309.88**	**1,309.88**
Additions	7.28	7.28
Deductions	-	-
As at March 31, 2024	**1,317.16**	**1,317.16**
Depreciation		
As at May 25, 2022	-	-
Charge for the period	17.90	17.90
Deductions	-	-
As at March 31, 2023	**17.90**	**17.90**
Changes for the year	42.60	42.60
Deductions	-	-
As at March 31, 2024	**60.50**	**60.50**
Net Block		
As at March 31, 2024	**1,256.66**	**1,256.66**
As at March 31, 2023	**1,291.98**	**1,291.98**

*Includes initial direct costs incurred by the lessee amounting to Rs 583.23 lakhs

The Company has taken land on lease which has been accounted in accordance with Ind AS 116-Leases under right of use assets. Refer note 27 for further disclosure on leases.

First Energy 3 Private Limited

Notes to the financial statements for the year ended March 31, 2024

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

4 Other Financial Assets (Non-current)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	0.19	-
Bank deposits with maturity of more than twelve months*	-	75.00
Total	**0.19**	**75.00**

* Held as lien against bank guarantee given

5 Deferred tax assets (net)

Deferred tax assets amounting to Rs. 20.91 lakhs have not been recognised in respect of following items, because it is not probable that future profit will be available against which the Company can use the benefits therefrom.

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
Losses available for offsetting against future taxable income	2,462.34	-
Lease Liabilities	117.23	107.56
Other	27.21	-
	2,606.79	**107.56**
Less: Deferred Tax Liabilities		
Depreciation on property, plant and equipment	(2,390.93)	-
Right-of-use of assets	(215.64)	(107.56)
Others	(0.21)	-
	(2,606.79)	**(107.56)**
Net Deferred Tax Assets	**-**	**-**

The Company has tax losses of Rs. 589.58 lakhs (March 31, 2023: Rs. 121.93 lakhs) that are available for offsetting for future taxable profits. 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 Company and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company was able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs. 101.17 lakhs (March 31, 2023: Rs. 20.91 lakhs).

Particulars	Expiry date (Year Ending March 31)	As at March 31, 2024		As at March 31, 2023	
		Amount	Tax Impact	Amount	Tax Impact
Tax Losses	NA	-	-	121.93	20.91
Unabsorbed depreciation	No Expiry period	589.58	101.17	-	-
Total		**589.58**	**101.17**	**121.93**	**20.91**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Loss before tax	**(838.39)**	**(170.87)**
Income tax rate	17.16%	17.16%
Expected tax expense / (credit)	(143.87)	(29.32)
Deferred tax assets not recognised on losses	143.87	29.32
Total tax expense / (credit)	**-**	**-**

6 Current tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	4.90	-
Add: Taxes paid during the year/ period	3.29	4.90
Less: Amount received during the year	(4.90)	-
Total	**3.29**	**4.90**

7 Other assets (non-current)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	-	9.03
Prepaid Expenses	38.23	40.36
Total	**38.23**	**49.39**

There were no advances due by directors or other 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 any director is a partner or a member.

8 Current Investment

Particulars	Number of units		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investment at fair value through Profit and Loss				
Investments in Mutual Funds:				
DSP Liquidity Fund Growth - Regular	2,596	-	88.71	-
HSBC Liquid Fund - Growth - Regular	2,751	-	65.65	-
Total current investments	**5,347**	**-**	**154.36**	**-**
Aggregate value of quoted investments and market value thereof			-	-
Aggregate value of unquoted investments			154.36	-
Aggregate amount of impairment in the value of investments			-	-

9 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables		
-Unbilled*	645.99	-
-Billed	0.54	-
Total	**646.53**	**-**
Break-up for security details:		
Secured considered good	-	-
Unsecured considered good	646.53	-
Trade receivable which have a significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	646.53	**-**
Less: impairment allowance	**-**	**-**
Total	**646.53**	**-**

Notes to the financial statements for the year ended March 31, 2024

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

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

*The receivables are unbilled because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

Trade Receivables ageing:

As at March 31, 2024

Particulars/ Projects	Unbilled	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	
Undisputed Trade Receivables- considered good	645.99	-	0.54	-	-	-	-	646.53
Total	**645.99**	**-**	**0.54**	**-**	**-**	**-**	**-**	**646.53**

10 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts	242.48	5,262.70
- in deposits with original maturity of less than three months	-	4,300.00
Total	**242.48**	**9,562.70**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

11 Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than three months but less than twelve months	38.90	-
Total	**38.90**	**-**

12 Other financial assets (current)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposit	125.00	-
Interest accrued but not due	1.81	4.75
Total	**126.81**	**4.75**

13 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Advances to supplier*	24.60	-
Balances with government authorities	-	0.27
Prepaid expenses	11.79	28.58
Others	0.90	0.60
Total	**37.29**	**29.45**

*There were no advances due by directors or other 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 any director is a partner or a member.

14 Share Capital

(a) Authorized share Capital

Particulars	No. of shares	Amount ₹ in Lakhs
As at May 25, 2022	**-**	**-**
Increase during the period	100,000,000	10,000.00
As at March 31 2023	**100,000,000**	**10,000.00**
Increase during the year	-	
As at March 31, 2024	**100,000,000**	**10,000.00**

b. Issued, Subscribed and Paid up Share Capital

Particulars	No. of shares	
Equity share of Rs 10 each issued, subscribed and fully paid		
As at May 25, 2022	**-**	**-**
Changes during the period	99,809,000	9,980.90
As at March 31 2023	**99,809,000**	**9,980.90**
Changes during the year	-	-
As at March 31, 2024	**99,809,000**	**9,980.90**

c. Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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.

d. Equity shares held by holding company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Holding company				
First Energy Private Limited	73,849,999	7,385.00	73,850,000	7,385.00
Equity shares of ₹ 10 each				

e. Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at March 31, 2024	As at March 31, 2023
(i) First Energy Private Limited, India		
% Holding	73.99%	73.99%
No. of shares	73,849,999	73,850,000
(ii) MRF Limited		
% Holding	7.78%	7.78%
No. of shares	7,761,000	7,761,000
(iii) Garden Silk Mills Private Limited		
% Holding	6.03%	6.03%
No. of shares	6,030,000	6,030,000

First Energy 3 Private Limited

Notes to the financial statements for the year ended March 31, 2024

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

f. Shares held by promoters at the end of the period

Name of Promoter	As at March 31, 2024		As at March 31, 2023		% of change during the year
	Number of shares	% of total number of shares	Number of shares	% of total number of shares	
First Energy Private Limited, India	73,849,999	73.99%	73,850,000	73.99%	0.00%

15 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening Balance	(267.16)	-
Add : Loss for the year	(838.39)	(170.87)
	(1,105.55)	**(170.87)**
Cost related to issue of Own Equity Instruments	-	(96.29)
Total	**(1,105.55)**	**(267.16)**

16: Borrowings

(a) Non-current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans from Bank		
Indian rupee loans from bank*	29,150.42	25,227.91
Less: Current maturities of long-term debts	712.00	178.00
(included in current borrowings)		
	28,438.42	25,049.91
Unsecured Loan		
From holding company	836.34	-
Total	**29,274.76**	**25,049.91**

* After considering unamortised expense of Rs. 171.58 lakhs (PY Rs. 272.09 lakhs)

Aggregate secured borrowings	28,438.42	25,049.91
Aggregate unsecured borrowings	836.34	-

Loans are measured at amortised cost.

Details	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from Bank of Maharashtra	March 31, 2043	Repayable in 77 structured quarterly installments from March 31, 2024	9.40% (3M MCLR p.a + 0.70% p.a)	29,150.42	25,227.91
Loan from holding company	September 30, 2026	Repayable on maturity date	8.60%	836.34	-

Details of security

Indian rupee loans from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the Company (present and future) including but not limited to book debts, operating cash flows, intangible assets including goodwill and uncalled capital, intellectual property, both present and future, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the Company held by the Holding Company.

(b) Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans		
Current maturities of long term borrowings from bank	712.00	178.00
Unsecured loans		
Buyers' line of credit	-	7,927.88
Total	**712.00**	**8,105.88**
Aggregate secured borrowings	712.00	178.00
Aggregate unsecured borrowings	-	7,927.88

Particulars	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Buyers' line of credit	NA	Repayable within 90 days from date of shipment	8.00% to 8.20%	-	7,927.88

During the year, the Company has used all the borrowings for specific purpose for which they have been obtained.

Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	(29,986.76)	(33,155.79)
Lease Liabilities	(683.17)	(626.79)
Interest accrued	(265.13)	(71.61)
Cash and cash equivalent	242.48	9,562.70
Other bank balance	38.90	-
Net debt	**(30,653.68)**	**(24,291.49)**

Particulars	Other assets		Liabilities from financing activities		Total
	Cash and bank balance	Other Bank Balances	Borrowings	Lease Liabilities	
Net debt as at May 25, 2022	-	-	-	-	-
Addition to leases	-	-	-	(726.65)	(726.65)
Cash flows	9,562.70	-	(33,155.79)	99.86	(23,493.23)
Interest capitalized	-	-	(435.41)	(21.09)	(456.50)
Interest paid	-	-	363.80	21.09	384.89
Net debt as at March 31, 2023	**9,562.70**	**-**	**(33,227.40)**	**(626.79)**	**(24,291.49)**
Additions of lease	-	-	-	(7.28)	(7.28)
Cash flows	9,320.22)	38.90	3,169.03	9.49	(6,102.80)
Interest capitalized	-	-	(587.33)	(12.14)	(599.47)
Interest expenses	-	-	(2,245.39)	(46.45)	(2,291.84)
Interest paid	-	-	2,639.20	-	2,639.20
Net debt as at March 31, 2024	**242.48**	**38.90**	**(30,251.89)**	**(683.17)**	**(30,653.68)**

17 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	9.43	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related parties	15.83	181.14
ii) Others	26.92	-
Total	**52.18**	**181.14**

Notes to the financial statements for the year ended March 31, 2024

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

Ageing schedule for trade payable

As at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	9.35	-	0.08	-	-	-	9.43
(ii) Others	42.75	-	-	-	-	-	42.75
Total	**52.10**	**-**	**0.08**	**-**	**-**	**-**	**52.18**

Ageing schedule for trade payable

As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	-	-	-	-	-	-	-
(ii) Others	181.14	-	-	-	-	-	181.14
Total	**181.14**	**-**	**-**	**-**	**-**	**-**	**181.14**

18 Other financial liabilities (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable for property, plant and equipment	26.28	1,703.53
Interest accrued but not due on loans	265.13	71.61
Others	1.55	-
Total	**292.96**	**1,775.14**

19 Other Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues and other liabilities	25.16	80.19
Total	**25.16**	**80.19**

20 Revenue from Operations

Particulars	For the year ended March 31, 2024	May 25, 2022 to March 31, 2023
Revenue from Power Supply	2,835.94	-
Total	**2,835.94**	**-**

Disclosure pursuant to IND AS 115: Revenue from contracts with customers

Particulars	For the year ended March 31, 2024	May 25, 2022 to March 31, 2023
i) Revenue by category of contracts:		
Over a period of time basis	2,835.94	-
At a point in time basis	-	-
Total revenue from contracts with customers	**2,835.94**	**-**
ii) Revenue by geographical market:		
Within India	2,835.94	-
Outside India	-	-
Total revenue from contracts with customers	**2,835.94**	**-**

iii) Reconciliation between revenue recognised in Statement of profit and loss and contract price

Particulars	For the year ended March 31, 2024	May 25, 2022 to March 31, 2023
Contract price	**2,875.80**	**-**
Adjustments for:		
Customer Claims	(39.86)	-
Total Revenue recognised	**2,835.94**	**-**

iv) Remaining performance obligations:

The Company applies practical expedient included in para 121 of Ind AS 115 and does not disclose information about its remaining performance obligations for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed till date.

21 Other Income

Particulars	As at March 31, 2024	May 25, 2022 to March 31, 2023
Interest income from financial assets at amortised cost	14.28	
Net Gain on Mutual Fund measured at fair value through profit or loss	9.30	-
Interest on Income Tax refund	0.43	-
Net reversal of corporate overhead allocation*	115.97	-
Miscellaneous income	0.25	-
Total	**140.23**	**46.36**

*During the year, the Holding Company has revised the method of charging common expenditure to its subsidiaries including for the amount already charged during the previous year ended March 31, 2023 and the three months ended June 30, 2023. This resulted in savings of Rs. 153.09 lakhs. Amount disclosed is after net off expenses charged during the year.

22 Finance Costs

Particulars	For the year ended March 31, 2024	May 25, 2022 to March 31, 2023
Interest expense on financial liabilities measured at amortised cost	2,832.72	435.41
Interest on lease liability	58.59	21.09
Less: Capitalized during the year	(599.47)	(456.50)
Total	**2,291.84**	**-**

Since the borrowings were specifically for the purpose of obtaining and construction of qualifying assets, borrowing cost has been capitalised at actual.

23 Depreciation Expense

Particulars	For the year ended March 31, 2024	May 25, 2022 to March 31, 2023
Depreciation of property, plant and equipment	1,205.23	-
Depreciation of right-of-use assets	42.60	17.90
Less: Capitalized during the year	(6.27)	(17.90)
Total	**1,241.56**	**-**

Notes to the financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

24 Other Expenses

Particulars	For the year ended March 31, 2024	May 25, 2022 to March 31, 2023
Operation & Maintenance Charges	109.13	-
Advertisement and publicity	0.20	1.77
Rates and taxes	17.10	27.83
Insurance	48.03	-
Travelling and conveyance	23.09	-
Communication expenses	2.68	-
Printing and stationery	0.12	-
Legal and professional fees	62.29	1.63
Auditor's remuneration (Refer note below)	2.95	1.50
Directors Sitting Fees	3.30	2.10
Miscellaneous expenses	12.27	1.26
Corporate Overhead allocation	-	181.14
Total	**281.16**	**217.23**

The Company does not meet the criteria specified in subsection (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current and previous year.

Note: Auditor's remuneration

Particulars	For the year ended March 31, 2024	May 25, 2022 to March 31, 2023
Statutory Audit Fees (including GST)	2.95	1.50
Total	**2.95**	**1.50**

25 Loss per share

Particulars	For the year ended March 31, 2024	May 25, 2022 to March 31, 2023
Net Loss attributable to the Equity shareholders of the Company	(838.39)	(170.87)
Weighted average number of Equity shares of Rs.10/- each	99,809,000	39,266,870
Basic and Diluted Loss per share	**(0.84)**	**(0.44)**

26 Contingent Liabilities and commitments

There are no liabilities of contingent nature.

Capital and other commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. NIL (March 31, 2023: 2,477.87 Lakhs)

27 Leasing Arrangements

Company as lessee

The Company has taken land on leases for a tenure of 29 years. There are no variable lease payments and residual value guarantees for these leases.

Carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	626.79	-
Additions	7.28	726.65
Accretion of interest	58.59	21.09
Payments made	(9.49)	(120.95)
As at end of the year	**683.17**	**626.79**
Current portion of lease liabilities	37.82	8.88
Non-current portion of lease liabilities	645.35	617.91
Total	**683.17**	**626.79**

Details of amounts recognised in statement of profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation expense of right-of-use assets	42.60	17.90
Interest expense on lease liabilities	58.59	21.09
Less: Capitalised during the year	(18.41)	(38.99)
Total amount recognised in statement of profit or loss	**82.78**	**-**

The total cash outflow for leases for the year was Rs. 9.49 Lakhs (March 31, 2023 was Rs. 120.95 Lakhs).

Extension and termination options are included in a number of property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The majority of extension and termination options held are exercisable only by the company's and not by the respective lessor.

28 Related party disclosures

A Immediate Holding Company

First Energy Private Limited

B Ultimate Holding Company

RDA Holding Private Limited

C Intermediate Holding Company

Thermax Limited (most senior parent that produces consolidated financial statements for public use)

D Key Management Personnel:

1. Mr. Ravi Damaraju - Director
2. Mr. Sandeep Mandke - Director
3. Mr. Mitish Somani - Director (till April 5, 2024.)
4. Mr. Anjali Lothe - Chief Executive Officer (w.e.f. February 1, 2023)
5. Ms. Veda Pathak - Company Secretary
6. Mr. Sanjay Parande - Independent Director (w.e.f. December 23, 2022)
7. Mr. Ashok Joshi - Independent Director (w.e.f. December 23, 2022)
8. Mr. Omkar Sheth - Chief Financial Officer (CFO) (w.e.f. February 1, 2023 upto January 31, 2024)*

E Transactions with Related parties:

Particulars	For the year ended March 31, 2024	May 25, 2022 to March 31, 2023
(a) Transactions during the year		
With Immediate Holding Company		
First Energy Private Limited		
Subscription for equity shares by holding company	-	7,385.00
Reimbursement of expenses paid (inclusive of Reimbursement of Capital expenditure)	49.94	634.16
Interest on loans	40.64	279.53
Reversal of corporate overhead (net)	115.97	-
Loan taken	836.34	16,400.00
Loan repaid	-	16,400.00
Key Management Personnel Compensation		
Short term employee benefits (Director sitting fees)	3.30	2.10

Notes to the financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

F Outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
Balances as at the year end		
Immediate Holding Company		
First Energy Private Limited		
Trade payables	15.83	181.14
Payable for property, plant and equipment	-	183.62
Interest on unsecured loan	36.58	-
Unsecured Loans	836.34	-

G Terms and conditions

All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings, refer note 16.

The transactions entered with related parties are at arm's length basis.

* As per the provisions of Companies Act, 2013, the new CFO can be appointed within a period of six months from the date of creation of casual vacancy. Accordingly, the Company is required to appoint new CFO till July 31, 2024.

29 Segment information

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz. "Producer of power through renewable energy source". Hence, the Company does not have any reportable segment as per IND AS-108 "Operating Segments".

30 I. Fair value measurements

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables	52.18	181.14
Lease liabilities	683.17	626.79
Borrowings	29,986.76	33,155.79
Other liabilities	292.96	1,775.14
Total	**31,015.07**	**35,738.86**
Current liabilities	1,094.96	10,071.04
Non current liabilities	29,920.11	25,667.82
Total	**31,015.07**	**35,738.86**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	646.53	-
Other financial assets	127.00	79.75
Cash and cash equivalents	242.48	9,562.70
Bank balances other than cash and cash equivalents	38.90	-
Total	**1,054.91**	**9,642.45**
Current assets	1,054.72	9,567.45
Non-current assets	0.19	75.00
Total	**1,054.91**	**9,642.45**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at fair value through profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Investments		
Mutual funds	154.36	-
Total financial assets (Current)	**154.36**	**-**

Fair value of market linked mutual funds is determined using Net Asset Value (NAV) report issued by mutual fund house.

II. Fair value hierarchy

Particulars	Date of valuation	Level 1	Level 2	Level 3
Financial Assets				
Investments				
Mutual funds	March 31, 2024	-	154.36	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The Fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to the financial statements for the year ended March 31, 2024

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

31 Analytical ratios

S.No.	Particulars	Numerator	Denominator	For the Year ended March 31, 2024	For the Year ended March 31, 2023	Variance	Reasons for variance of more than 25%
1	Current Ratio	Current Assets	Current Liabilities	1.11	0.95	18%	Not Applicable
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	3.38	3.41	-1%	Not Applicable
3	Debt Service Coverage Ratio	Earnings available for debt service (Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service (Interest & Lease Payments + Principal Repayments)	0.25	(0.80)	-131%	Refer Note (i)
4	Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	-9.02%	-1.76%	413%	Refer Note (i)
5	Return on investment	Earning before interest and taxes	Total assets	3.64%	-0.38%	-1070%	Refer Note (i)
6	Return on capital employed	Earning before interest and taxes	Capital Employed	3.74%	-0.40%	-1038%	Refer Note (i)
7	Net Profit Ratio	Net Profits after taxes	Revenue	-29.56%	Not applicable	Not applicable	Refer Note (ii)
8	Trade Receivables turnover Ratio	Total Sales	Average Trade Receivable	8.77	Not applicable	Not applicable	Refer Note (ii)
9	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	10.78	1.20	799%	Refer Note (i)
10	Net capital turnover Ratio	Total Sales	Working Capital	22.46	Not applicable	Not applicable	Refer Note (ii)

Working Capital = Current assets less Current liabilities

Capital employed = Tangible Net worth + total debt

Average = (Opening + Closing)/2

Note:

(i) Considering the Company completed construction of renewable plant and has started generating power during the year, there are significant transactions incurred during the year resulting in increase in expenses, revenue, trade receivables. Whereas, payments made to outstanding capital creditors resulted in reduction in cash and bank balances and payables.

(ii) As no sales during the previous period, sales and purchases were NIL. Thus, Comparative period ratios are not calculated wherever Sales and purchases amounts are considered for calculation.

32 Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents are derived directly from its operations. The Company also holds investments measured at fair value through profit and loss account

Risk is inherent in the Company'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 Company's continuing operations. 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. The Management reviews and agrees policies for managing each of these risks, which are summarised below.

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, price risk.

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	29,150.42	25,227.91

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	March 31, 2024
Interest rates - Increase by 50 basis points	(116.04)
Interest rates - Decrease by 50 basis points	116.04

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

Impact due to sensitivity of interest rate is not calculated for comparative period, because the Company's loss before tax was not affected through the impact on floating rate borrowings, as borrowing was towards acquiring a qualifying asset and the related interest was capitalised according to IND AS 23.

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.

The company has not entered into any foreign currency transaction during the current year and comparative period and hence not exposed to any foreign currency risk.

c Price risk

The Company's investments are susceptible to market risk arising from uncertainties about future values of the investment securities. These securities are unquoted. The Company manages the price risk through placing limits on individual and total equity/ mutual fund investments. Reports on the investment portfolio are submitted to the management on a regular basis. The Company is not currently exposed significantly to such risks.

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 from its investing activities, including deposits with banks and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters. An impairment analysis is performed based on expected credit loss model at each reporting date. 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 below. There is no charge of impairment to Statement of profit and loss.

Expected credit loss for trade receivable under simplified approach

Trade receivables	As at March 31, 2024		
	Gross	Expected loss rate	Expected loss allowance
Unbilled	645.99	0%	-
Outstanding for following periods from the due date			
Not due	-	0%	-
Less than 6 months	0.54	0%	-
Total	**646.53**	**0%**	**-**

Expected credit loss for

Balances with Banks

Credit risk from balances with banks is managed by the Parent Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Investments of surplus funds are made only with approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

Other financial assets carried at amortised cost

Company's exposure to other financial asset includes security deposits which is considered to be low risk. No loss allowance is required to be recognised for the same.

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.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below summarises the company's financial liabilities into relevant maturity profile based on contractual undiscounted payments:

March 31, 2024

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non-derivative					
Borrowings	-	712.00	2,620.34	2,792.00	24,034.00
Lease liabilities	-	37.82	118.98	124.40	1,812.72
Payable for property, plant and equipment	-	26.28	-	-	-
Trade Payables	-	52.18	-	-	-
Other financial liabilities	-	266.68	-	-	-

March 31, 2023

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non-derivative					
Borrowings	-	8,105.88	1,456.00	2,376.00	21,490.00
Lease liabilities	-	8.88	95.68	119.15	1,859.78
Payable for property, plant and equipment	-	1,703.23	-	-	-
Trade payables	-	181.14	-	-	-
Other financial liabilities	-	71.91	-	-	-

33 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

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

	March 31, 2024	March 31, 2023
Borrowings	29,986.76	33,155.79
Less: Cash and cash equivalents (includes other bank balances)	281.38	9,562.70
Net debt	**29,705.38**	**23,593.09**
Equity	8,875.35	9,713.74
Net Debt to Equity	**3.35**	**2.43**

Net debt to equity has increased in current year on account decrease in cash and cash equivalent mainly on account of investing activities undertaken during the year.

Loan Covenants

Under the terms of the borrowing facilities, the Company is required to comply with the following financial covenants:

(a) Fixed Asset Coverage Ratio should not be less than 1.24:1

(b) Debt Service coverage ratio to be not less than 1.25

(c) Interest Coverage Ratio does not fall below 1.5:1

(d) Total outside liability/ Tangible Net Worth should not be more than 4:1

The financial covenant shall be tested based on the audited financial statements every year from first full year of commercial operation. Accordingly, these covenants will be tested from the next year.

34. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Based on the information available with the Company, none of the vendors fall under the definition of micro, small and medium enterprises.

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount dues to micro and small enterprises	9.43	-
- Interest due thereon	-	-
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	-	-
The amount of payment made to the supplier beyond the appointed day during the year	7.12	-
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	0.13	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.13	-
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.	0.13	-

35 Other Statutory Information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies beyond the statutory period.

(iii) The Company has not traded or invested in crypto currency or virtual currency during the current year and comparative period.

(iv) There is no income surrendered or disclosed as income during the current year or comparative period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premium

The Company has 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

The Company has 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.

36 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

The primary accounting software used for maintaining its books of account 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 that no audit trail has been enabled at

Notes to the financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

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.

37. The Company was incorporated on May 25, 2022. Therefore, comparative amounts are for the period May 25, 2022 to March 31, 2023.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 3 Private Limited

Sandeep Mandke
Director
DIN : 09619581

Ravi Damaraju
Director
DIN : 09554649

Anjali Lothe
Chief Executive Officer

Veda Pathak
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 4 Private Limited

Board of Directors
Mitish Somani (Upto April 5, 2024)
Ravi Damaraju
Sandeep Deshpande
Sanjay Parande
Ashok Joshi

Registered Office
Unit No. 601, 6th Floor,
Cello Platina, F.C. Road,
Shivajinagar, Pune 411005

Auditors
Price Waterhouse & Co.
Chartered Accountants LLP
7th Floor, Business Bay, Tower A,
Wing -1, Airport Road,
Yerwada, Pune 411006

Key Managerial Personel
Abhishek Agarwal, Chief Executive Officer
Meghana Supekar, Chief Financial Officer
Sourabh Sonawane
(Company Secretary w.e.f May 2, 2024)

Bankers
ICICI Bank

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure to present the Second Annual Report, together with the audited financial statements of your Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total income	1421.11	-
Profit before finance cost, depreciation, and tax	906.52	(44.39)
Finance Cost	943.91	-
Profit before depreciation and tax	(37.39)	(44.39)
Depreciation and impairment	588.93	-
Profit/(Loss) before tax	(626.32)	(44.39)
Provision for taxation (incl. deferred tax)	-	6.84
Items that are not to be reclassified to profit or loss	-	-
Profit/(Loss) after tax	(626.32)	(51.23)

State of Company's Affairs

During the year, the Company commissioned its Solar capacity of 38.20 MW/56.85 MWp in the State of Tamil Nadu in September 2023. Due to the heavy rainfall and subsequent flooding in the state of Tamil Nadu in December 2023, the operation of the plant was disrupted and the plant is currently under restoration.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

The directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the company has not transferred any amount to the General Reserve.

Share Capital

During the year there were changes in the capital structure of the Company. The Company has increased its authorized share capital from Rs. 1,00,000/- (Rupees One Lakh only) consisting of 10,000 (Ten Thousand) equity shares of Rs. 10/- each to Rs. 69,00,00,000 (Rupees Sixty Nine Crores) consisting of 6,90,00,000 (Six Crore Ninety Lakh Only) Equity Shares of Rs. 10 each. The increase in share capital was approved by the members of the Company in their Extra-Ordinary General Meeting held on April 18, 2023.

The Paid-up Share Capital of the Company is Rs. 68,55,00,000 divided into 6,85,50,000 Equity Shares of Rs.10 each. During the year under review, the Company has made the further issue of shares to the existing shareholders on a rights and private placement basis. Details of the further issue of shares are as follows:

Date of Issue	Number of Shares	Nominal value per share (Rs.)	Amount (Rs.)
21/04/2023	5,07,10,000	10	50,71,00,000
26/06/2023	1,78,30,000	10	17,83,00,000

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

The details of loans and investments covered under the provisions of section186 of the Companies Act, 2013, are given in the notes to the Financial Statements. During the year, the Company did not give any guarantee.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Solar business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involves risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also contracts competent local infra partners having experience and capability.

- **Renewable Sources and Grid Availability**

  The risk identified by the Company is lower generation on account of lower radiation, wind speed, and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources and accordingly sizes the plant and the financial models for arriving at the right tariff for the available conditions. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk results in revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using waterless robotic technology for cleaning modules and therefore manpower dependency is reduced.

Health and Safety

Across all its operational assets, sites and offices, the Company implements policies that covers Health and safety. The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors & Key Managerial Personnel

During the year, Mr. Sanjay Parande (DIN: 07161299) and Mr. Ashok Joshi (DIN: 02296952) were appointed as Additional Independent Directors of the Company w.e.f. January 11, 2024. The Independent Directors are appointed for a term of 5 consecutive years commencing from January 11, 2024 up to January 11, 2029.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ravi Damaraju (DIN: 09554649) retires by rotation and being eligible offers himself for re-appointment. The proposal of re-appointment forms part of the Notice of the Second AGM of the Company.

During the year, the following changes took place in the Key Managerial Personnel(s) of the Company.

- Mr. Abhishek Agarwal was appointed as the Chief Executive Officer and Key Managerial Personnel (KMP) of the Company with effect from December 4, 2023.
- Ms. Meghana Supekar was appointed as the Chief Financial Officer and Key Managerial Personnel (KMP) of the Company with effect from December 4, 2023.

Declaration by Independent Directors

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and have also confirmed that their names have been added in the data bank maintained by the Indian Institute of Corporate Affairs for independent directors, in accordance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, every individual whose name is so included in the data bank shall pass an online proficiency self-assessment test. However, an individual who has fulfilled the criteria prescribed in Rule 6(4) of the said Rules, is exempted from passing the online proficiency self-assessment test. In view of the same, Mr. Sanjay Parande, having met the aforesaid criteria, was exempted from the proficiency self-assessment test and Mr. Ashok Joshi has passed the proficiency self-assessment test.

The Board is of the opinion that the Directors of the Company are eminent persons with integrity and have necessary expertise and experience to continue to discharge their responsibilities as Directors of the Company.

Board Meetings

During the year, the Board met six times on May 9, 2023, June 23, 2023, July 11, 2023, August 8, 2023, December 4, 2023 and January 11, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Committees of the Board

The Board has constituted the following committees viz. Audit Committee and Nomination and Remuneration Committee.

Audit Committee

The Audit Committee of the Board of Directors was constituted on January 11, 2024. The committee comprises of all directors being non-executive directors viz Mr. Sanjay Parande as the Chairman and Mr. Ashok Joshi & Mr. Mitish Somani as members of the committee.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors was constituted on January 11, 2024. The committee comprises of all directors being non-executive directors viz Mr. Ashok Joshi as the Chairman and Mr. Sanjay Parande & Mr. Ravi Damaraju as members of the committee.

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 judgment 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 and loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

First Energy 4 Private Limited

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Conservation of energy and technological absorption

The Company is in the business of renewable energy. The Company aims to conserve the environment by bringing about significant change in methods of using energy through the application of Solar, Wind and associated Renewable energy generation sources for commercial & industrial customers. As a part of its "Build-Green" initiatives, the Company has installed solar powered Robots to clean the solar modules at the Opex projects thus ensuring waterless cleaning.

In the case of Technology absorption, the Company used higher rated (540 & 550Wp) Monoperc PV models with better efficiency. The structure is designed to withstand the wind load. Robot technology is being adopted for cleaning the modules and this will help to conserve water and reduce soiling losses.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the Company is a Subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the roll of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

There are no significant or material orders passed by the Regulators / Courts.

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of the Companies Act, 2013 as of March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing employees with a safe and conducive work environment. It has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013. No cases were pending at the beginning of the year/ filed during the year, according to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of onetime settlement with any Bank or Financial Institution.

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions::

a. High Tension tariffs upward revision w.e.f 1st July 2023. This enhances captive savings for captive consumers. This hike shall be effected every financial year on 1st of July, based on CPI based inflation or 6% whichever is lower (positive impact on FEPL)

b. Deviation Settlement Mechanism (DSM) notified for solar and wind plants in the state. Renewable Energy plants shall schedule day ahead power injection. In case of deviation in prescribed bands, there are commercial implications, effective 1st April 2024. The Company is required to financially provide for the commercial implications towards these payments.

c. The Hon'ble Supreme Court vide order dated 9th Oct 2023, has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, minimum 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Vigil mechanism

The Company has adopted the whistle blower policy of Thermax Limited, the ultimate holding company of the Company, which is applicable to all subsidiaries of Thermax Limited.

Auditors

M/s Price Waterhouse Chartered Accountants LLP, (Firm Registration Number. 012754N/N500016) were appointed as Statutory Auditors of the Company for a period of Five years from the conclusion of the 1st Annual General Meeting (AGM) till the conclusion of the 6th AGM. The Auditors' Report for FY 2023-24 does not contain any qualification, reservation, or adverse remark.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work and support.

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For and on behalf of the Board of Directors of

First Energy 4 Private Limited

Sandeep Deshpande	**Ravi Damaraju**
Director	Director
DIN: 07161299	DIN: 09554649

Pune, May 02, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy 4 Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of First Energy 4 Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

10. 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.

First Energy 4 Private Limited

Report on other legal and regulatory requirements

11. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) 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.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 33(viii) to the 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, as disclosed in the Note 33(viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the year.

        vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

13. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company. However, the Company has not paid/ provided any managerial remuneration during the year.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN : 24134593BKFJDA7117
Place : Pune
Date : May 8, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of First Energy 4 Private Limited on the financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of First Energy 4 Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN : 24134593BKFJDA7117
Place : Pune
Date : May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of First Energy 4 Private Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. a) The Company has made investments in 9 mutual fund schemes. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, accordingly to this extent, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

(b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.

(c) The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 13 to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has utilised funds raised on short-term basis aggregating Rs 200.17 lakhs for long-term purposes.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made a private placement of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 67.90 lakhs in the financial year and of Rs. 51.23 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN : 24134593BKFJDA7117
Place : Pune
Date : May 8, 2024

First Energy 4 Private Limited

Balance Sheet as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	26,359.77	-
Capital work-in-progress	3	-	113.61
Financial assets			
(a) Other financial assets	4(a)	-	262.50
Deferred tax assets (net)	5	-	-
Income tax assets (net)	6	3.80	0.32
Other non-current assets	7(a)	9.06	10,936.20
Total non-current assets		**26,372.63**	**11,312.63**
Current assets			
Financial assets			
(a) Investments	8	1,692.99	-
(b) Trade receivables	9	265.33	-
(c) Cash and cash equivalents	10	261.54	1,245.67
(d) Other financial assets	4(b)	263.26	11.16
Other current assets	7(b)	39.52	-
Total current assets		**2,522.64**	**1,256.83**
Total Assets		**28,895.27**	**12,569.46**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	6,855.00	1.00
Other equity	12	(744.39)	(51.23)
Total Equity		**6,110.61**	**(50.23)**
Non-current liabilities			
Financial liabilities			
(a) Borrowings	13(a)	19,841.91	-
Total non-current liabilities		**19,841.91**	**-**
Current liabilities			
Financial liabilities			
(a) Borrowings	13(b)	389.94	12,357.50
(b) Trade payables			
i) total outstanding dues of micro and small enterprises	14	6.02	-
ii) total outstanding dues of creditors other than micro and small enterprises	14	301.85	44.40
(c) Other financial liabilities	15	1,560.86	163.60
Other current liabilities	16	684.08	54.19
Total current liabilities		**2,942.75**	**12,619.69**
Total Equity and Liabilities		**28,895.27**	**12,569.46**

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note No	For the Year ended March 31, 2024	December 07, 2022 to March 31, 2023
Revenue from operations	17	1,061.63	-
Other income	18	359.48	-
Total Income		**1,421.11**	**-**
Expenses			
Finance costs	19	943.91	-
Depreciation expense	20	588.93	-
Other expenses	21	514.59	44.39
Total Expenses		**2,047.43**	**44.39**
Loss before tax		**(626.32)**	**(44.39)**
Tax expense		**-**	**6.84**
Current tax	6	-	6.84
Loss for the year/ period		**(626.32)**	**(51.23)**
Other comprehensive income		-	
Total comprehensive loss for the year/ period		**(626.32)**	**(51.23)**
Loss per equity share			
Basic & Diluted [nominal value per share Rs 10]	22	**(1.01)**	**(512.27)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 4 Private Limited

Sandeep Deshpande
Director
DIN: 09748806

Ravi Damaraju
Director
DIN : 09554649

Abhishek Agrawal
Chief Executive Officer

Meghna Supekar
Chief Financial Officer

Sourabh Sonawane
Company Secretary

Place: Pune
Date: May 2, 2024

Statement of cash flows for the year ended March 31, 2024

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

	Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
A)	**Cash flows used in operating activities**		
	Loss before tax	(626.32)	(44.39)
	Adjustments for		
	Depreciation expense	588.93	-
	Finance costs	943.91	-
	Interest income from financial assets at amortised cost	(6.64)	-
	Gain on mutual fund measured at fair value through profit or loss	(30.51)	-
	Working capital adjustments		
	(Increase) in trade receivable	(265.33)	-
	(Increase) in other financial assets	-	(262.50)
	(Increase) in other assets	(48.58)	-
	Increase in trade payables	263.47	44.40
	Increase in other liabilities	629.89	54.19
	Increase in other financial liabilities	1.82	-
	Cash generated from/(used in) operations	**1,450.64**	**(208.30)**
	Income taxes paid	(3.48)	(7.16)
	Net cash generated from/(used in) operating activities	**1,447.16**	**(215.46)**
B)	**Cash flows from investing activities**		
	Payment for property, plant and equipment	(14,003.30)	(10,879.18)
	Proceeds from sale of property, plant and equipment	127.42	-
	Investment in mutual funds	(3,534.82)	-
	Fixed deposits placed with Banks	(100.00)	-
	Redemption of fixed deposits	100.00	-
	Proceeds from sale of mutual funds	1,872.34	-
	Interest income received	17.04	-
	Net cash flows used in investing activities	**(15,521.32)**	**(10,879.18)**
C)	**Cash flows from financing activities**		
	Proceeds from borrowings	33,560.00	12,357.50
	Repayment of borrowings	(25,547.50)	-
	Transaction cost for availing borrowings	(138.15)	-
	Proceeds from issue of equity shares	6,854.00	1.00
	Cost related to issue of own equity instruments	(66.84)	-
	Interest paid on borrowing	(940.48)	-
	Interest paid capitalised	(631.00)	(18.19)
	Net cash flows from financing activities	**13,090.03**	**12,340.31**
	Net increase/(decrease) in cash and cash equivalents	**(984.13)**	**1,245.67**
	Cash and cash equivalents at the beginning of the financial year/period	1,245.67	-
	Cash and cash equivalents at the end of the financial year/period	**261.54**	**1,245.67**

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

	March 31, 2024	March 31, 2023
Cash and cash equivalent (refer note no 10)	261.54	1,245.67
Balances as per statement of cash flows	**261.54**	**1,245.67**

Notes:

i) Statement of Cash Flows has been prepared under the “Indirect Method” in accordance with ‘IND AS 7: Statement of Cash Flows’.

ii) Refer Note 13(b) for Net debt reconciliation

The above Statement of cash flows should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of First Energy 4 Private Limited

Sandeep Deshpande
Director
DIN: 09748806

Ravi Damaraju
Director
DIN : 09554649

Abhishek Agrawal
Chief Executive Officer

Meghna Supekar
Chief Financial Officer

Sourabh Sonawane
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 4 Private Limited

Statement of changes in equity for the year ended March 31, 2024
(All amounts are in Rupees Lakhs , except per share data and unless stated otherwise)

A. Equity Share Capital

Particulars	Amount
As at December 07, 2022	**-**
Issued during the period	1.00
As at March 31, 2023	**1.00**
Issued during the year	6,854.00
As at March 31, 2024	**6,855.00**

B Other Equity

Particulars	Retained Earnings	Total
As at December 07, 2022	-	-
Loss for the period	(51.23)	(51.23)
Other comprehensive income	-	-
Total comprehensive loss for the period	**(51.23)**	**(51.23)**
As at March 31, 2023	**(51.23)**	**(51.23)**
Loss for the year	(626.32)	(626.32)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(626.32)**	**(626.32)**
Cost related to issue of own equity instruments	(66.84)	(66.84)
As at March 31, 2024	**(744.39)**	**(744.39)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 4 Private Limited

Sandeep Deshpande
Director
DIN: 09748806

Ravi Damaraju
Director
DIN : 09554649

Abhishek Agrawal
Chief Executive Officer

Meghna Supekar
Chief Financial Officer

Sourabh Sonawane
Company Secretary

Place: Pune
Date: May 2, 2024

Notes to the Financial Statements for the year ended March 31, 2024

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

1. Corporate information

First Energy 4 Private Limited ("the Company") is a private limited company domiciled in India and incorporated on December 7, 2022 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of solar power.

The address of the Company's registered office is 6th Floor, Office No 601, Cello Platina, FC Road, Shivaji Nagar, Pune, Maharashtra – 411005. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U40100PN2022PTC216736.

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation and measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments);

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company:

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Summary of material accounting policies

a. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from Sale of power

Revenue from sale of power is recognised at transaction price and over time for each unit of electricity delivered at the contracted rate. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

At the end of each reporting period, the Company updates the estimated transaction price to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. The Company accounts for such changes in the transaction price (including claims). Consideration / claim payable to a customer includes cash amounts that an entity pays to the customer. The Company accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. The consideration payable to a customer includes a variable amount.

Trade receivables: 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). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	10 to 25	10 to 15
Building	30	3 to 30
Furniture and fixtures	10	10
Computers	3	3
Roads	3	3
Office equipment	5	5

c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

2.4. Summary of other accounting policies

a. 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

All financial assets (excluding trade receivables which do not contain a significant financing component) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 derecognized 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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Property, plant and equipment (PPE)

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

d. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

g. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

h. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

i. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

j. Segment reporting

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 been identified as the chief operating decision maker of the Company.

k. Contingent liabilities

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.

l. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

m. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

ii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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.

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

v. Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

3 (a) Property, Plant and Equipment

Particulars	Freehold land	Building	Plant and Machinery	Office Equipment	Roads	Furniture	Computer	Total	Capital work-in-progress
Gross carrying amount:									
As at December 07, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	-	-	-	-	-	-	-	-	113.61
Deduction	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**113.61**
Additions	385.23	386.69	26,077.14	5.60	214.11	7.00	0.35	27,076.12	26,962.51
Deduction/Transfer	(127.42)	-	-	-	-	-	-	(127.42)	27,076.12
As at March 31, 2024	**257.81**	**386.69**	**26,077.14**	**5.60**	**214.11**	**7.00**	**0.35**	**26,948.70**	**-**
Accumulated Depreciation									
As at December 07, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For the period	-	-	-	-	-	-	-	-	-
Deduction	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
For the year	-	23.18	530.63	0.54	34.18	0.34	0.06	588.93	-
Deduction	-	-	-	-	-	-	-	-	-
As at March 31, 2024	**-**	**23.18**	**530.63**	**0.54**	**34.18**	**0.34**	**0.06**	**588.93**	**-**
Net carrying amount:									
As at March 31, 2024	**257.81**	**363.51**	**25,546.51**	**5.06**	**179.93**	**6.66**	**0.29**	**26,359.77**	**-**
As at March 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**113.61**

Ageing of capital work-in-progress

Particulars/Projects	As at March 31, 2023					
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	2 to 3 years	Total
Projects in progress						
38.2 MW Solar project	113.61	-	-	-	-	113.61
Total	**113.61**	**-**	**-**	**-**	**-**	**113.61**

Capital work-in-progress balances pertained to solar project and was completed and capitalised in September 2023.

Capitalization of expenses

During the period, the Company has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	As at March 31, 2024
Reimbursement of salaries and wages	120.15
Interest and reimbursement of interest expenses*	467.40
Depreciation and reimbursement of depreciation*	13.30
Reimbursement of other expenses	7.54
Total	**608.39**

* Reimbursement of interest and depreciation includres expenses pertaining to rental property for which right-of-use assets and lease liabilities have been recognised.

4(a) Other financial assets (Non-current)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	-	262.50
Total	**-**	**262.50**

4(b) Other financial assets (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	262.50	-
Interest accrued on fixed deposit	0.76	11.16
Total	**263.26**	**11.16**

5 Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Asset		
Losses available for offsetting future taxable income	1,647.17	-
Others	9.21	-
Total	**1,656.38**	**-**
Deferred Tax Liability		
Depreciation of property, plant and equipment	1,654.33	-
Others	2.05	-
Total	**1,656.38**	**-**
Net Deferred Tax Assets	**-**	**-**

The Company has tax losses of Rs 769.51 lakhs (March 31,2023 : Rs Nil) that are available for offsetting for future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profit elsewhere in the company and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the company was able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs 132.11 lakhs. (March 31,2023 Rs Nil)

Particulars	Expiry date (Year Ending March 31)	As at March 31, 2024		As at March 31, 2023	
		Amount	Tax Impact	Amount	Tax Impact
Unabsorbed depreciation	No Expiry period	769.51	132.11	-	-
Total		**769.51**	**132.11**	**-**	**-**

The tax expense consists of following:

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax expense	-	**6.84**
Total	**-**	**6.84**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Loss before tax	**(626.32)**	**(44.39)**
Income tax rate	17.16%	17.16%
Expected tax expense / (credit)	(107.48)	(7.62)
Deferred tax assets not recognised on losses	132.11	-
Other	(24.63)	14.46
Total tax expense	**-**	**6.84**

6 Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	0.32	-
Add: Taxes paid during the year/ period	3.80	7.16
Less: Amount received during the year/period	(0.32)	-
Less: Income Tax expenses	-	(6.84)
Total	**3.80**	**0.32**

7(a) Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	-	10,936.20
Prepaid expenses	9.06	-
Total	**9.06**	**10,936.20**

There were no advances due by directors or other 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 any director is a partner or a member.

7(b) Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	23.21	-
Balances with government authorities	16.31	-
Total	**39.52**	**-**

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

8 Current Investment

Particulars	Number of units		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investment at fair value through Profit and Loss				
Investments in Mutual Funds:				
Nippon India Liquid Fund - Growth - Regular	6,975	-	407.58	-
ICICI Prudential Overnight Fund - Growth -Regular	5,472	-	70.28	
HDFC Liquid Fund - Growth - Regular	12,933	-	607.57	
HSBC Liquid Fund Growth - Regular	25,456	-	607.56	-
Total current investments			**1,692.99**	**-**
Aggregate value of quoted investments and market value thereof			-	-
Aggregate value of unquoted investments			1,692.99	-
Aggregate amount of impairment in the value of investments			-	-

9 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables		
-Unbilled*	265.33	-
-Billed	-	-
Total	**265.33**	**-**
Break-up for security details:		
Secured considered good	-	-
Unsecured considered good	265.33	-
Trade receivable which have a significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	265.33	**-**
Less: impairment allowance	**-**	**-**
Total	**265.33**	**-**

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

*The receivables are unbilled because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

Trade Receivables ageing:

Particulars/ Projects	Unbilled	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	
As at March 31, 2024								
Undisputed trade receivables- considered good	265.33	-	-	-	-	-	-	265.33
Total	**265.33**	**-**	**-**	**-**	**-**	**-**	**-**	**265.33**

10 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with Bank		
-in current accounts	41.54	76.54
-deposits with original maturity of less than three months	220.00	1,169.13
Total	**261.54**	**1,245.67**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

11 Share Capital

(a) Authorized share Capital

Particulars	No. of shares	Amount ₹ in Lakhs
As at December 07, 2022	**-**	**-**
Increase during the period	10,000	1.00
As at March 31, 2023	**10,000**	**1.00**
Increase during the year	68,990,000	6,899.00
As at March 31, 2024	**69,000,000**	**6,900.00**

(b) Issued, Subscribed and Paid Share Capital

Particulars		No. of shares
As at December 07, 2022	**-**	**-**
Changes during the period	10,000	1.00
As at March 31, 2023	**10,000**	**1.00**
Changes during the year	68,540,000	6,854.00
As at March 31, 2024	**68,550,000**	**6,855.00**

(c) Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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.

d. Equity shares held by holding company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Holding company				
First Energy Private Limited				
Equity shares of Rs 10 each	50,719,994	5,072.00	9,999	1.00

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

Name of the Shareholder	As at March 31, 2023	As at March 31, 2023
(i) First Energy Private Limited, India (Promoter)		
% Holding	73.99%	99.99%
No. of shares	50,719,994	9,999
(ii) MRF Limited		
% Holding	19.10%	-
No. of shares	13,090,000	-
(iii) Sundram Fasteners Limited		
% Holding	6.91%	-
No. of shares	4,740,000	-

(f) Shares held by promoters at the end of the year/period

Name of Promoter	As at March 31, 2024		As at March 31, 2023		% of change during the year
	Number of shares	% of total number of shares	Number of shares	% of total number of shares	
First Energy Private Limited	50,719,994	73.99%	9,999	99.99%	26.00%

12 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening balance	(51.23)	-
Loss for the year/ period	(626.32)	(51.23)
	(677.55)	**(51.23)**
Cost related to issue of own equity instruments	(66.84)	-
Total	**(744.39)**	**(51.23)**

13 Borrowings

(a) Non-current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans from bank		
Indian rupee loans from banks*	20,061.85	-
Less: Current maturities of long-term debt	219.94	-
(included in current borrowings)		
Total	**19,841.91**	**-**

* After considering unamortised expense of Rs. 138.15 lakhs (March 31, 2023: Nil).

Aggregate secured borrowings	19,841.91	-

(a) Loans are measured at amortised cost.

Particulars	Date of maturity	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from ICICI Bank	August 01, 2043	Repayable in 77 structured quarterly installments from July 1, 2024	9.25%	20,061.85	-

Details of Security

Indian rupee loans from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the Company (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the Company held by the holding company.

(b) Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured loans		
Current maturities of long term borrowings from bank	219.94	-
Unsecured loans		
Loan from holding companies	170.00	12,357.50
Total	**389.94**	**12,357.50**

Aggregate secured borrowings	219.94	-
Aggregate unsecured borrowings	170.00	12,357.50

Particulars	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from Holding company	January 31, 2024	Repayable in single/ multiple tranches along with the accumulated interest thereon	8.45%	-	12,357.50
Loan from Holding company	March 31, 2025	Repayable in single/ multiple tranches along with the accumulated interest thereon	8.15%	170.00	-

During the year, the Company has used all the borrowings for specific purpose for which they have been obtained.

Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	261.54	1,245.67
Borrowings	(20,231.85)	(12,357.50)
Interest accrued	(3.43)	(163.60)
Net debt	**(19,973.74)**	**(11,275.43)**

	Other assets	Liabilities from financing activities	Total
	Cash & cash equivalents	Borrowings	
Net debt as at December 07, 2022	**-**	**-**	**-**
Cash flows	1,245.67	(12,357.50)	(11,111.83)
Interest expenses including capitalised	-	(181.79)	(181.79)
Interest paid	-	18.19	18.19
Net debt as at March 31, 2023	**1,245.67**	**(12,521.10)**	**(11,275.43)**
Cash flows	(984.13)	(7,874.35)	(8,858.48)
Interest capitalised	-	(467.40)	(467.40)
Interest expenses	-	(943.91)	(943.91)
Interest paid	-	1,571.48	1,571.48
Net debt as at March 31, 2024	**261.54**	**(20,235.28)**	**(19,973.74)**

14 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	6.02	-
Total outstanding dues of creditors other than micro and small enterprises		
i) Related parties	12.81	42.62
ii) Others	289.04	1.78
Total	**307.87**	**44.40**

Ageing schedule for trade payable

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

As at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	5.87	0.15	-	-	-	-	6.02
(ii) Others	286.38	6.15	9.32	-	-	-	301.85
Total	**292.25**	**6.30**	**9.32**	**-**	**-**	**-**	**307.87**

Ageing schedule for trade payable
As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	-	-	-	-	-	-	-
(ii) Others	42.62	-	-	-	-	-	42.62
Total	**42.62**	**-**	**-**	**-**	**-**	**-**	**42.62**

15 Other financial liabilities (current)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable for property, plant and equipment	1,555.61	-
Employee related payables	1.56	-
Interest accrued but not due on loans	3.43	163.60
Other payables	0.26	-
Total	**1,560.86**	**163.60**

16 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	0.34	54.19
Advance from insurance company (Refer note 29)	677.67	-
Others	6.07	-
Total	**684.08**	**54.19**

17 Revenue from operations

Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
Revenue from power supply		
Total	**1,061.63**	**-**

Disclosure pursuant to IND AS 115: Revenue from contracts with customers

Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
i) Revenue by category of contracts:		
Over a period of time basis	1,061.63	-
At a point in time basis	-	-
Total revenue from contracts with customers	**1,061.63**	**-**
ii) Revenue by geographical market:		
Within India	1,061.63	-
Outside India	-	-
Total revenue from contracts with customers	**1,061.63**	**-**

iii) Reconciliation between revenue recognised in Statement of profit and loss and contract price

There is no material variation between revenue recognised in Statement of profit and loss and contract price.

iv) Remaining performance obligations:

The Company applies practical expedient included in para 121 of Ind AS 115 and does not disclose information about its remaining performance obligations for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed till date.

18 Other income

Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
Interest income from financial assets at amortised cost	6.64	-
Insurance claim received (Refer note 29)	322.33	-
Gain on mutual fund measured at fair value through profit or loss	30.51	-
Total	**359.48**	**-**

19 Finance costs

Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
Interest expense on financial liabilities measured at amortised cost*	1,411.31	-
Less: Capitalized during the year	(467.40)	-
Total	**943.91**	**-**

20 Depreciation expense

Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
Depreciation of property, plant and equipment	588.93	-
Total	**588.93**	**-**

21 Other expenses

Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
Freight inward	2.34	-
Labour charges	5.43	-
Site expenses	7.82	-
Rent expenses	0.15	-
Rates and taxes	8.54	-
Insurance	21.68	-
Repairs and maintenance (Refer note 29)	339.29	-
Travelling and conveyance	20.45	-
Communication expenses	0.14	-
Printing and stationery	0.11	-
Legal & professional charges	24.73	-
Auditor's remuneration (Refer below note)	2.95	1.77
Inspection charges	4.23	-
Bank charges	3.99	-
Corporate overhead allocation	39.60	42.62
Operation and maintenance charges	28.26	-
Miscellaneous expenses	4.88	-
Total	**514.59**	**44.39**

Notes to the Financial Statements for the year ended March 31, 2024

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

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current and previous year.

Note: Auditor's remuneration

Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
Statutory audit fees (Including GST)	2.95	1.77
Total	**2.95**	**1.77**

22 Loss per share

Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
Net Loss attributable to the equity shareholders of the Company	(626.32)	(51.23)
Weighted average number of equity shares of Rs.10/- each	61,904,685	10,000
Basic and Diluted loss per share	**(1.01)**	**(512.27)**

23 Contingent liabilities

There are no liabilities of contingent nature.

24 Other commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 35.37 lakhs. (March 31, 2023 Rs. 19,683.50 lakhs)

25 Related party disclosures

A Immediate holding company

First Energy Private Limited

B Ultimate holding company

RDA Holding Private Limited

C Intermediate holding company

Thermax Limited (most senior parent that produces consolidated financial statements for public use)

D Key Management Personnel:

1. Mr. Ravi Damaraju - Director
2. Mr. Sandeep Deshpande - Director
3. Mr. Ashok Keshav Joshi - Additional Director (w.e.f. January 11, 2024)
4. Mr. Sourabh Vasant Sonawane - Company Secretary (w.e.f. May 02, 2024)
5. Mr. Sanjay Dinkar Parande - Additional Director (w.e.f. January 11, 2024)
6. Mrs. Meghna Supekar - Chief Financial Officer (w.e.f. December 4, 2023)
7. Mr. Abhishek Agarwal - Chief Executive Officer (w.e.f. February 04, 2023)

E Entities under common control with whom there have been transactions during the year

First Energy 5 Private Limited

First Energy 6 Private Limited

F Transactions with Related parties:

Particulars	For the year ended March 31, 2024	December 07, 2022 to March 31, 2023
(a) Transaction during the period		
With Immediate holding company		
First Energy Private Limited		
Subscription for equity shares by holding company	5,071.00	1.00
Interest expenses (including capitalised expenses)	622.80	181.79
Reimbursement of expenses paid (including capitalised)	175.72	42.62
Loan taken	13,360.00	12,357.50
Loan repaid	25,547.50	-
With group company		
First Energy 5 Private Limited		
Recovery of expenses	4.39	-
Payable for property, plant and equipment	669.80	-
First Energy 6 Private Limited		
Reimbursement of interest received	293.10	-
Reimbursement of expenses paid	0.49	-
Reimbursement of expenses received	3,365.31	-

G Outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Balances as at the year end		
Immediate holding company		
Borrowings	170.00	12,357.50
Trade payables	12.81	42.62
Payable for property, plant and equipment	21.45	-
Interest accrued but not due	3.43	163.60
With group company		
First Energy 5 Private Limited		
Payable for property, plant and equipment	669.80	-

H Terms and conditions for outstanding balances

All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings, refer note 13.

The transactions entered with related parties are at arm's length basis.

26 Fair value measurements

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payable	307.87	44.40
Borrowings	20,231.85	12,357.50
Other liabilities	1,560.86	163.60
Total	**22,100.58**	**12,565.50**
Current liabilities	2,258.67	12,565.50
Non current liabilities	19,841.91	-
Total	**22,100.58**	**12,565.50**

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	265.33	-
Cash and cash equivalents	261.54	1,245.67
Other financial assets	263.26	11.16
Total	**790.13**	**1,256.83**
Current assets	790.13	1,256.83
Non-current assets	-	-
Total	**790.13**	**1,256.83**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at fair value through profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Investments		
Mutual funds	1,692.99	-
Total financial assets (current)	**1,692.99**	**-**

Fair value of market linked mutual funds is determined using Net Asset Value (NAV) report issued by mutual fund house.

II. Fair value hierarchy

Particulars	Date of valuation	Level 1	Level 2	Level 3
Financial Assets				
Investments				
Mutual funds	March 31, 2024	-	1,692.99	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The Fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

27 Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents are derived directly from its operations. The Company also holds investments measured at fair value through profit and loss account

Risk is inherent in the Company'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 Company's continuing operations. The Company is exposed to market risk, credit risk and liquidity risk.

The management of the company is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. The Management reviews and agrees policies for managing each of these risks, which are summarised below.

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows :

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	20,061.85	-

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

March 31,2024

	March 31, 2024	March 31, 2023
Interest rates - Increase by 50 basis points	(42.08)	-
Interest rates - Decrease by 50 basis points	42.08	-

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.

The company has not entered into any foreign currency transaction during the current year and comparative period and hence not exposed to any foreign currency risk.

c Price risk

The Company's investments are susceptible to market risk arising from uncertainties about future values of the investment securities. These securities are unquoted. The Company manages the price risk through placing limits on individual and total equity/ mutual fund investments. Reports on the investment portfolio are submitted to the management on a regular basis. The Company is not currently exposed significantly to such risks.

First Energy 4 Private Limited

Notes to the Financial Statements for the year ended March 31, 2024

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

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 from its investing activities including deposits with banks and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters. An impairment analysis is performed based on expected credit loss model at each reporting date. 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 above. There is no charge of impairment to Statement of profit and loss.

Trade receivables	As at March 31, 2024		
	Gross	Expected loss rate	Expected loss allowance
Unbilled	265.33	0%	-
Total	**265.33**		**-**

Expected credit loss for

Balances with Banks

Credit risk from balances with banks is managed by the Parent Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

Other financial assets carried at amortised cost

Company's exposure to other financial asset includes security deposits which is considered to be low risk. No loss allowance is required to be recognised for the same.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below summarises the company's financial liabilities into relevant maturity profile based on contractual undiscounted payments :

March 31, 2024

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non-derivative					
Borrowings		389.94	812.99	1,461.02	17,706.05
Payable for property, plant and equipment	-	1,555.61	-	-	-
Trade payables	-	307.87	-	-	-
Other financial liabilities	-	5.25	-	-	-
Other financial liabilities	-	266.68	-	-	-

March 31, 2023

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	12,357.50	-	-	-
Trade payables	-	44.40	-	-	-
Other financial liabilities	-	163.60	-	-	-

28 Analytical ratios

S.No.	Particulars	Numerator	Denominator	For the Year ended March 31, 2024	For the Year ended March 31, 2023	Variance	Reasons for variance of more than 25%
1	Current Ratio	Current Assets	Current Liabilities	0.86	0.10	760.75%	Refer Note (i)
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	3.31	-246.03	-101.35%	Refer Note (i)
3	Debt Service Coverage Ratio	Earnings available for debt service (Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service (Interest + Principal Repayments)	0.03	Not applicable	Not applicable	
4	Return on Equity	Net Profits after taxes	Average Shareholder's Equity	-20.67%	101.99%	-120.27%	Refer Note (i)
5	Return on investment	Earning before interest and taxes	Total assets	1.10%	-0.35%	-411.22%	Refer Note (i)
6	Trade Receivables turnover Ratio	Total Sales	Trade Receivable	4.00	Not applicable	Not applicable	Refer Note (ii)
7	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	2.92	1.00	192.23%	Refer Note (i)
8	Net capital turnover Ratio	Total Sales	Working Capital	-2.53	Not applicable	Not applicable	Refer Note (ii)
9	Return on Capital employed	Earning before interest and taxes	Capital Employed	1.21%	-0.36%	-434.26%	Refer Note (i)
10	Net Profit Ratio	Net Profits after taxes	Revenue	-0.59	Not applicable	Not applicable	Refer Note (ii)

Working Capital = Current assets less Current liabilities
Capital employed = Tangible Net worth plus total debt
Average = (Opening + Closing)/2

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Note:

(i) Considering the Company completed construction of renewable plant and has started generating power during the year, there are significant transactions incurred during the year resulting in increase in expenses, revenue, trade receivables. Whereas, payments made to outstanding capital creditors resulted in reduction in cash and bank balances and payables.

(ii) As no sales during the previous period, sales and purchases were NIL. Thus, Comparative period ratios are not calculated wherever Sales and purchases amounts are considered for calculation.

29 The site of the Company 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 a 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 INR 1,000 lakhs as on account payment. The expense of INR 339.29 lakhs pertaining to damage has been accounted for as repairs and maintenance cost in the books of account and the corresponding insurance claim income of INR 322.33 lakhs has been recognized based on management's assessment of insurance claim being virtually certain.

30 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

	March 31, 2024	March 31, 2023
Borrowings	20,231.85	12,357.50
Less: Cash and cash equivalents (includes other bank balances)	261.54	1,245.67
Net debt	**19,970.31**	**11,111.83**
Equity	**6110.61**	**(50.23)**
Net Debt to Equity	**3.27**	**(221.23)**

Net debt to equity has increased on account of increase in debt and also there has been increase in equity.

Loan Covenants

Under the terms of the borrowing facilities, the Company is required to comply with the following financial covenants:

(a) Fixed Asset Coverage Ratio should not be less than 1.24:1

(b) Debt Service coverage ratio (DSCR) to be not less than 1.25

(c) Interest Coverage Ratio does not fall below 1.5:1

(d) Total outside liability/ Tangible Net Worth should not be more than 4:1

The financial covenant shall be tested based on the audited financial statements every year from first full year of commercial operation. Accordingly, these covenants will be tested from the next year.

31 Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz "Producer of power through renewable energy source". Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

32 Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Due to small- scale industrial undertakings have been worked out on the basis of information available with the management.

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount dues to micro and small enterprises	6.02	-
- Interest due thereon	-	-
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.	-	-
The amount of payment made to the supplier beyond the appointed day during the year	2.00	-
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	0.07	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.07	-
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.	0.07	-

33 Other statutory information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current period.

(iv) There is no income surrendered or disclosed as income during the current period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current period."

(viii) Utilisation of borrowed funds and share premium

The Company has 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.

The Company has 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.

34. 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations. The primary accounting software used for maintaining its books of account 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 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."

35. The Company was incorporated on December 7, 2022. Therefore, comparative amounts are for the period December 7, 2022 to March 31, 2023.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place : Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 4 Private Limited

Sandeep Deshpande
Director
DIN: 09748806

Ravi Damaraju
Director
DIN : 09554649

Abhishek Agrawal
Chief Executive Officer

Meghna Supekar
Chief Financial Officer

Sourabh Sonawane
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 5 Private Limited

Board of Directors
Mitish Somani (Upto April 05,2024)
Ravi Damaraju
Sandeep Deshpande
Sumit Rathi (w.e.f. April 03, 2024)

Registered Office
Unit No. 601, 6th Floor,
Cello Platina, F.C. Road,
Shivajinagar, Pune 411005

Auditors
Price Waterhouse & Co.
Chartered Accountants LLP
7th Floor, Business Bay, Tower A,
Wing -1, Airport Road,
Yerwada, Pune 411006

Key Managerial Personnel
Chandrasekar Sureshnathan - CEO
Sanjay Purohit - CFO
Swara Kharadkar - CS (w.e.f. May 02, 2024)

Bankers
ICICI Bank
Central Bank of India

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure in presenting the Second Annual Report, together with the audited financial statements of your Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total income	13.57	-
Profit/Loss before finance cost, depreciation, and tax	(27.08)	(30.67)
Finance Cost	0.33	-
Profit/Loss before depreciation and tax	(27.41)	(30.67)
Depreciation and impairment	-	-
Profit/(Loss) before tax	(27.41)	(30.67)
Provision for taxation (incl. deferred tax)	0.67	-
Items that are not to be reclassified to profit or loss	-	-
Profit/(Loss) after tax	(28.08)	(30.67)

State of Company's Affairs

The Company's Renewable Energy project with Wind Technology of 39MW capacity is in the advanced stage of construction and all wind turbine materials has reached the site.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

In a view of accumulated losses, the directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the Company has not transferred any amount to the General Reserve.

Share Capital

During the year there were changes in the capital structure.

The Paid-up Share Capital of the Company is Rs. 94,98,43,200 divided into 9,49,84,320 Equity Shares of Rs.10 each. During the year under review, the Company has made further issue of shares to the existing shareholders and captive users on a rights and private placement basis. Details of the further issue of shares are as follows:

Date of Issue	Number of Shares	Nominal value per share (Rs.)	Amount (Rs.)
24/05/2023	6,95,00,000	10	69,50,00,000
29/08/2023	6,00,000	10	60,00,000
14/12/2023	2,48,74,320	10	24,87,43,200

The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity during the year.

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

The details of loans and investments covered under the provisions of section186 of the Companies Act, 2013, are given in the notes to the Financial Statements. During the year, the Company did not give any guarantee.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors, or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Renewable Energy business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have a certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct a Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involves risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also contracts competent local infra partners having experience and capability.

- **Renewable Sources and Grid Availability**

  The risk identified by the Company is a lower generation on account of wind speed, and Grid failures. The Company continuously studies the

Wind Resources Assessment with historical data from reliable sources and accordingly sizes the plant and the financial models for arriving at the right tariff for the available conditions.

- **Plant Uptime and Soiling Losses**

  This type of risk results in revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using waterless robotic technology for cleaning modules and therefore manpower dependency is reduced.

Health and Safety

Across all its operational assets, sites and offices, the company implements policies that covers Health and safety.

The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors & Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ravi Damaraju (DIN: 09554649) retires by rotation and being eligible offers, himself for re-appointment. The proposal for re-appointment forms part of the Notice of the Second AGM of the Company.

During the year, Mr. Chandrasekar Sureshnathan was appointed as the Chief Executive Officer and Mr. Sanjay Purohit was appointed as the Chief Financial Officer with effect from December 13, 2023.

Board Meetings

During the year, the Board met six times on May 09, 2023, September 04, 2023, December 13, 2023, December 21, 2023, February 06, 2024, March 11, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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 judgment 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 or loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Conservation of energy and technological absorption

The Company is in the business of renewable energy. The Company aims to conserve the environment by bringing about significant change in methods of using energy through the application of Solar, Wind and associated Renewable energy generation sources for commercial & industrial customers. As a part of its "Build-Green" initiatives, the Company has installed solar powered Robots to clean the solar module+I15s at the Opex projects thus ensuring waterless cleaning. In the case of Technology absorption, the Company used higher rated (540 &550Wp) Monoperc PV models with better efficiency. The structure is designed to withstand the wind load. Robot technology is being adopted for cleaning the modules and this will help to conserve water and reduce soiling losses.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the Company is a subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the roll of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

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

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of Companies Act, 2013 as on March 31, 2024. Hence, the Corporate Social Responsibility provisions are not attracted.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing a safe and conducive work environment for its employees and has complied with provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013.

There were no cases pending at the beginning of the year/ filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of one-time settlement with any Bank or Financial Institution.

Statutory Auditors

M/s Price Waterhouse Chartered Accountants LLP, (Firm Registration Number. 012754N/N500016) were appointed as Statutory Auditors of the Company for a period of Five year from the conclusion of the 1st Annual General Meeting (AGM) till the conclusion of the 6th AGM. The Auditors' Report for FY 2023-24 does not contain any qualification, reservation, or adverse remark.

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions:

a. High Tension tariffs upward revision was made w.e.f 1st July 2023. This enhances captive savings for captive consumers. This hike shall be effective in every financial year on the 1st of July, based on Consumer Price Index (CPI) based inflation or 6% whichever is lower . This has a positive impact on the business of the Company.

b. Deviation Settlement Mechanism (DSM) has been notified for solar and wind plants in the state. Renewable Energy plants shall schedule day ahead power injection. In case of deviation in prescribed bands, there are commercial implications, effective 1st April 2024. The Company is required to financially provide for the commercial implications towards these payments.

c. The Hon'ble Supreme Court vide order dated 9th Oct 2023, has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, minimum 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work, and support.

For and on behalf of the Board of Directors of

First Energy 5 Private Limited

Ravi Damaraju	**Sumit Rathi**
Director	Director
DIN - 09554649	DIN: 07727272

Pune, May 02, 2024

First Energy 5 Private Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy 5 Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of First Energy 5 Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

Report on other legal and regulatory requirements

10. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) 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.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 28(viii) to the 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, as disclosed in the Note 28(viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

12. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company. However, the Company has not paid/ provided any managerial remuneration during the year.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDB9069
Place : Pune
Date : May 8, 2024

First Energy 5 Private Limited

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of First Energy 5 Private Limited on the financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of First Energy 5 Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDB9069
Place : Pune
Date : May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of First Energy 5 Private Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has made investments in 7 mutual fund schemes, provided security to one company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such security to parties other than subsidiaries, joint ventures and associates are as per the table given below:

	Security (In Lakhs)
Aggregate amount granted/ provided during the year - Others	395.00
Balance outstanding as at balance sheet date in respect of the above case - Others	395.00

Also, refer Note 3 to the financial statements

(b) In respect of the aforesaid investments, securities, the terms and conditions under which such investments were made and security provided are not prejudicial to the Company's interest.

(c) The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee to any parties. Therefore, the reporting under clause 3 (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 of the Companies Act, 2013 in respect of the security provided. The Company has not granted any loans or made any investments or provided any guarantees to the parties covered under Sections 185 and 186. Therefore, to that extent the reporting under clause 3(iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has utilised funds raised on short-term basis aggregating Rs. 13,952.64 for long-term purposes.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made a private placement of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.

xi During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 28.08 lakhs in the financial year and of Rs. 30.67 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDB9069
Place : Pune
Date : May 8, 2024

Balance Sheet as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	49.87	-
Capital work-in-progress	3	19,946.13	23.19
Deferred tax assets (net)	4	-	-
Other non-current assets	5	3,304.78	2,507.12
Total Non-current assets		**23,300.78**	**2,530.31**
Current assets			
Financial assets			
(a) Investments	6	24.25	-
(b) Cash and cash equivalents	7	85.20	148.01
(c) Other financial assets	8	1,342.05	-
Income tax assets (net)	9	2.40	-
Total Current assets		**1,453.90**	**148.01**
Total Assets		**24,754.68**	**2,678.32**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	9,498.43	1.00
Other equity	11	(150.29)	(122.21)
Total equity		**9,348.14**	**(121.21)**
Liabilities			
Current liabilities			
Financial liabilities			
(a) Borrowings	12	14,769.41	2,610.00
(b) Trade payables			
i) total outstanding dues of micro and small enterprises	13	5.47	-
ii) total outstanding dues of creditors other than micro and small enterprises	13	31.81	30.87
(c) Other financial liabilities	14	528.52	15.08
Other current liabilities	15	71.33	143.58
Total current liabilities		**15,406.54**	**2,799.53**
Total equity and liabilities		**24,754.68**	**2,678.32**

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date.

Statement of profit and loss for the year ended March 31, 2024

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

Particulars	Note No	For the year ended March 31, 2024	December 13, 2022 to March 31, 2023
Income			
Other income	16	13.57	-
Total income		**13.57**	**-**
Expenses			
Finance costs	17	0.33	-
Other expenses	18	40.65	30.67
Total expenses		**40.98**	**30.67**
Loss before tax		(27.41)	(30.67)
Tax expense			
Current tax	9	0.67	-
Deferred tax		-	-
Loss for the year/ period		**(28.08)**	**(30.67)**
Other comprehensive income		-	
Total comprehensive loss for the year/ period		**(28.08)**	**(30.67)**
Loss per equity share			
Basic & Diluted (In Rs) (nominal value per share Rs 10)	19	**(0.04)**	**(306.70)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No. 109846

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
First Energy 5 Private Limited

Ravi Damaraju
Director
DIN : 09554649

Sumit Rathi
Director
DIN : 07727272

Chandrasekar Sureshnathan
Chief Executive Officer

Sanjay Purohit
Chief Financial Officer

Swara Kharadkar
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 5 Private Limited

Statement of Cash flows for the year ended March 31, 2024

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

	Particulars	For the year ended March 31, 2024	December 13, 2022 to March 31, 2023
A)	**Cash flows used in operating activities**		
	Loss before tax	(27.41)	(30.67)
	Finance costs	0.33	
	Interest income from financial assets at amortised cost	(13.57)	
	Working capital adjustments		
	Increase in trade payables	6.41	30.87
	Increase in other financial liabilities	0.17	0.31
	Increase/ (decrease) in other liabilities	(72.25)	143.58
	(Increase) in other financial assets	(1,342.05)	-
	Cash generated from/(used in) operations	**(1,448.37)**	**144.09**
	Income taxes paid	(3.07)	-
	Net cash flow from/(used in) operations	**(1,451.44)**	**144.09**
B)	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(20,114.61)	(2,513.89)
	Payments for purchase of current investments	(1,564.72)	-
	Proceeds from sale of current investments	1,540.47	-
	Interest income received	13.57	-
	Net cash used in investing activities	**(20,125.29)**	**(2,513.89)**
C)	**Cash flows from financing activities**		
	Proceeds from borrowings	18,719.20	2,610.00
	Repayment of borrowings	(6,559.79)	-
	Proceeds from issue of equity shares	9,497.43	1.00
	Cost related to issue of own equity instruments	-	(91.54)
	Interest paid (including interest capitalised of Rs. 142.59)	(142.92)	(1.65)
	Net cash flow from financing activities	**21,513.92**	**2,517.81**
	Net increase/(decrease) in cash and cash equivalents	**(62.81)**	**148.01**
	Cash and cash equivalents at the beginning of the financial year/ period	148.01	-
	Cash and cash equivalents at the end of the financial year/ period	**85.20**	**148.01**

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents (refer note 7)	85.20	148.01
Balances as per cash flow statement	**85.20**	**148.01**

Notes:

i) Statement of Cash Flows has been prepared under the “Indirect Method” in accordance with ‘IND AS 7 : Statement of Cash Flows’.

ii) Refer Note 12 for Net debt reconciliation.

The above Statement of cash flows should be read in conjunction with the accompanying notes.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No. 109846

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
First Energy 5 Private Limited

Ravi Damaraju
Director
DIN : 09554649

Sumit Rathi
Director
DIN : 07727272

Chandrasekar Sureshnathan
Chief Executive Officer

Sanjay Purohit
Chief Financial Officer

Swara Kharadkar
Company Secretary

Place: Pune
Date: May 2, 2024

Statement of changes in equity for the year ended March 31, 2024
(All amounts are in Rupees Lakhs , except per share data and unless stated otherwise)

A. Equity Share Capital

Particulars	Amount
As at December 13, 2022	**-**
Issue during the period	1.00
As at March 31, 2023	**1.00**
Issue during the year	9,497.43
As at March 31, 2024	**9,498.43**

B Other Equity

Particulars	Retained Earnings	Total
As at December 13, 2022		
Loss for the period	(30.67)	(30.67)
Other Comprehensive Income	-	-
Total comprehensive loss for the period	**(30.67)**	**(30.67)**
Cost related to issue of own equity instruments	(91.54)	(91.54)
As at March 31, 2023	**(122.21)**	**(122.21)**
Loss for the year	(28.08)	(28.08)
Other Comprehensive Income	-	-
Total Comprehensive loss for the year	**(28.08)**	**(28.08)**
Cost related to issue of own equity instruments	-	-
As at March 31, 2024	**(150.29)**	**(150.29)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No. 109846

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
First Energy 5 Private Limited

Ravi Damaraju
Director
DIN : 09554649

Sumit Rathi
Director
DIN : 07727272

Chandrasekar Sureshnathan
Chief Executive Officer

Sanjay Purohit
Chief Financial Officer

Swara Kharadkar
Company Secretary

Place: Pune
Date: May 2, 2024

1. Corporate information

First Energy 5 Private Limited ("the Company") is a private limited company domiciled in India and incorporated on December 13, 2022 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of wind power.

The address of the Company's registered office is 6th Floor, Office No 601, Cello Platina, FC Road, Shivaji Nagar, Pune, Maharashtra – 411005. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U40200PN2022PTC216938.

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied, unless otherwise stated.

2.1. Basis of preparation and measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments);

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

2.3 Summary of material accounting policies

a. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

2.4. Summary of other accounting policies

a. 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

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 derecognized 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.

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Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from Sale of power

Revenue from sale of power is recognised at transaction price and over time for each unit of electricity delivered at the contracted rate. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

d. Property, Plant and Equipment

All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	25	22
Building	30	3 to 30

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

e. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

f. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

h. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

i. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

j. Provisions

Provisions are recognized 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 recognized 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

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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 recognized as a finance cost.

k. Segment reporting

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 been identified as the chief operating decision maker of the Company.

l. Contingent liabilities

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.

m. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

n. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

ii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

v. Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

3 (a) Property, Plant and Equipment

Particulars	Freehold land	Building	Plant and Machinery
Gross carrying amount:			
As at December 13, 2022	**-**	**-**	**-**
Additions	-	-	23.19
Deductions	-	-	-
As at March 31, 2023	**-**	**-**	**23.19**
Additions	49.87	49.87	19,922.94
Deductions	-	-	-
As at March 31, 2024	**49.87**	**49.87**	**19,946.13**
Accumulated depreciation			
As at December 13, 2022	**-**	**-**	**-**
For the period	-	-	-
Deductions	-	-	-
As at March 31, 2023	**-**	**-**	**-**
For the year	-	-	-
Deductions	-	-	-
As at March 31, 2024	**-**	**-**	**-**
Net carrying amount:			
As at March 31, 2024	**49.87**	**49.87**	**19,946.13**
As at March 31, 2023	**-**	**-**	**23.19**

Ageing of capital work-in-progress

Particulars/Projects	As at March 31, 2024				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress					
(i) Renewable energy project 39 MW	19,946.13	-	-	-	19,946.13
Total	**19,946.13**	**-**	**-**	**-**	**19,946.13**

Capital work-in-progress includes overdue projects amounting to Rs 19,946.13. Project are expected to be completed and capitalised in June 2024.

Particulars/Projects	As at March 31, 2024				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress					
(i) Renewable energy project 39 MW	23.19	-	-	-	23.19
Total	**23.19**	**-**	**-**	**-**	**23.19**

Capitalization of expenses

During the period, the Company has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Reimbursement of salaries and wages	311.45	-
Interest and reimbursement of interest expenses*	414.63	14.77
Depreciation and reimbursement of depreciation*	23.29	-
Reimbursement of other expense	9.14	-
Total	**758.51**	**14.77**

* Reimbursement of interest and depreciation relates to expenses pertaining to rental property for which right-of-use assets and lease liabilities have been recognised.

4. The Company has tax losses of Rs 28.00 lakhs (March 31, 2023: Rs 30.67 lakhs) that are available for offsetting for future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profit elsewhere in the Company and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company was able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs 7.05 lakhs (March 31,2023 Rs 5.26 lakhs).

Particulars	Expiry date (Year Ending March 31)	As at March 31, 2024		As at March 31, 2023	
		Amount	Tax Impact	Amount	Tax Impact
Tax losses	2030-31	28.00	7.05	30.67	5.26
Total		**28.00**	**7.05**	**30.67**	**5.26**

5 Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	3,304.78	2,507.12
Total	**3,304.78**	**2,507.12**

6. Current Investments

Particulars	Number of units		Amount	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Investments at Fair value through Profit and Loss				
Investments in Mutual Funds :				
HSBC Liquid Fund Growth - Regular	394	-	9.39	-
HDFC Mutual Fund Growth - Regular	316	-	14.86	-
Total current investments			**24.25**	**-**
Aggregate amount of quoted investments and market value thereof				-
Aggregate amount of unquoted investments			24.25	-
Aggregate amount of impairment in the value of investments			-	-

7. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks		
-in current accounts	15.20	7.88
-deposits with original maturity of less than three months	70.00	140.13
Total	**85.20**	**148.01**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

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8. Other financial assets (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	277.20	-
Other receivables	1,064.85	-
Total	**1,342.05**	**-**

9. Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Add: Taxes paid during the year/ period	3.07	-
Less: Current tax payable for the year/ period	0.67	-
Total	**2.40**	**-**

Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Particulars	For the year ended March 31, 2024	December 10, 2022 to March 31, 2023
Loss before tax	(27.41)	(30.67)
Indian statutory income tax rate	25.17%	25.17%
Expected tax expenses/ (credit)	(6.90)	(7.72)
Deferred tax not recognised on losses and depreciation	7.05	5.26
Others	0.52	2.46
Total tax expenses	**0.67**	**-**

10. Share capital

a. Authorised share capital

Equity shares of Rs 10 each

Particulars	No. of shares	Amount ₹ in Lakhs
As at December 13, 2022	**-**	**-**
Increase during the period	95,000,000	9,500
As at March 31, 2023	**95,000,000**	**9500**
Increase during the year	-	-
As at March 31, 2024	**95,000,000**	**9,500**

b. Issued, Subscribed and Paid up Share Capital

Particulars	No. of shares	
Equity share of Rs 10 each issued, subscribed and fully paid		
As at December 13, 2022	**-**	**-**
Changes during the period	10,000	1.00
As at March 31, 2023	**10,000**	**1.00**
Changes during the year	94,974,330	9,497.43
As at March 31, 2024	**94,984,330**	**9,498.43**

c. Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuring 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.

d. Equity shares held by holding company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Holding company				
First Energy Private Limited				
Equity shares of Rs 10 each	70,109,994	7011	10000	1.00

e. Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at March 31, 2024	As at March 31, 2023
(i) First Energy Private Limited		
% Holding	73.81%	100.00%
No. of shares	70,109,994	10,000
(ii) Sundram Fasteners Limited		
% Holding	8.19%	-
No. of shares	7,774,500	-
(iii) MRF Ltd		
% Holding	11.95%	-
No. of shares	11,346,720	-

f. Shares held by promoters at the end of the year

Name of Promoter	As at March 31, 2024		As at March 31, 2023		% of change during the year
	Number of shares	% of total number of shares	Number of shares	% of total number of shares	
First Energy Private Limited	70,109,994	73.81%	10,000	100.00%	26.19%

11 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening balance	(122.21)	-
Add : Loss for the year/ period	(28.08)	(30.67)
	(150.29)	**(30.67)**
Cost related to issue of own equity instruments	-	(91.54)
Total	**(150.29)**	**(122.21)**

12. Borrowings (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured loans		
Loan from Holding Company	14,769.41	2,610.00
Total	**14,769.41**	**2,610.00**
Aggregate unsecured borrowings	14,769.41	2,610.00

Particulars	Maturity date	Terms of payment	Interest rate	As at March 31, 2024	As at March 31, 2023
Loan from holding company	March 31, 2025	Repayment in one or multiple tranches within one year	8.15%	14,769.41	-
Loan from holding company	May 16, 2023	Repayable in one or multiple tranches within 90 days	8.00%	-	2,610.00

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

Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	85.20	148.01
Borrowings	(14,769.41)	(2,610.00)
Interest accrued	(299.87)	(14.77)
Net debt	**(14,984.08)**	**(2,476.76)**

Net debt reconciliation

	Other assets	Liabilities from financing activities	Total
	Cash & cash equivalents	Borrowings	
Net debt as at December 13, 2022	-	-	-
Cash flows	148.01	(2,610.00)	(2,461.99)
Interest expenses	-	(14.77)	(14.77)
Interest paid	-	-	-
Net debt as at March 31, 2023	**148.01**	**(2,624.77)**	**(2,476.76)**
Cash flows	(62.81)	(12,159.41)	(12,222.22)
Interest expenses (Capitalised)	-	(427.69)	(427.69)
Interest paid	-	142.59	142.59
Net debt as at March 31, 2024	**85.20**	**(15,069.28)**	**(14,984.08)**

During the year, the Company has used the borrowings for the specific purpose for which they have been obtained.

13. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	5.47	-
Total outstanding dues of creditors other than micro and small enterprises		
i) Related parties	23.15	29.17
ii) Others	8.66	1.70
Total	**37.28**	**30.87**

Ageing schedule for trade payables
As at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
(i) Micro and Small enterprises	5.27	0.16	0.04	-	-	-	5.47
(ii) Others	11.75	-	20.06	-	-	-	31.81
Total	**17.02**	**0.16**	**20.10**	**-**	**-**	**-**	**37.28**

As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
(i) Micro and small enterprises	-	-	-	-	-	-	-
(ii) Others	30.87	-	-	-	-	-	30.87
Total	**30.87**	**-**	**-**	**-**	**-**	**-**	**30.87**

14. Other financial liabilities (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Payable for property, plant and equipments	228.17	-
Interest accrued but not due on loan	299.87	14.77
Others	0.48	0.31
Total	**528.52**	**15.08**

15. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	65.36	143.58
Others	5.97	-
Total	**71.33**	**143.58**

16. Other income

Particulars	For the year ended March 31, 2024	December 13, 2022 to March 31, 2023
Interest income from financial assets at amortised cost	13.57	-
Total	**13.57**	**-**

17. Finance costs

Particulars	For the year ended March 31, 2024	December 13, 2022 to March 31, 2023
Interest expense on financial liabilities measured at amortised cost	428.02	-
Less: Capitalized during the year	(427.69)	-
Total	**0.33**	**-**

Since the borrowing were specifically for the purpose of obtaining and construction of qualifying assets, borrowing cost has been capitalised at actual.

18. Other expenses

Particulars	For the year ended March 31, 2024	December 13, 2022 to March 31, 2023
Rates and taxes	6.02	-
Legal and professional fees	9.13	-
Auditors remuneration (refer note below)	2.95	1.50
Corporate overhead allocation	20.67	29.17
Miscellaneous expenses	1.88	-
Total	**40.65**	**30.67**

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current year and previous period.

Note: Auditor's remuneration

Particulars	For the year ended March 31, 2024	December 13, 2022 to March 31, 2023
Statutory audit fees (Including GST)	2.95	1.50
Total	**2.95**	**1.50**

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

19. Loss per share

Particulars	For the year ended March 31, 2024	December 13, 2022 to March 31, 2023
Net loss attributable to the equity shareholders of the Company	(28.08)	(30.67)
Weighted average number of equity shares of Rs.10/- each	73,669,858	10,000
Basic and Diluted loss per share (in Rs)	**(0.04)**	**(306.70)**

20. Contingent liabilities and commitments

Contingent liabilities

There are no liabilities of contingent nature.

Capital commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs.14,451 lakhs (March 31, 2023 Rs Nil)

21. Related party disclosures

A Immediate holding company

First Energy Private Limited

B Ultimate holding company

RDA Holding Private Limited

C Intermediate holding company

Thermax Limited (most senior parent that produces consolidated financial statements for public use)

D Key Management Personnel:

1 Mr. Ravi Damaraju - Director
2 Mr. Sandeep Deshpande - Director
3 Mr. Sumit Rathi -Additional Director (w.e.f. April 3, 2024)
4 Mr. Chandrasekar Suresh Nathan- Chief Executive Officer (w.e.f. December 13, 2023)
5 Mr. Sanjay Om Purohit- Chief Financial Officer (w.e.f. December 13, 2023)

E Entities under common control with whom there have been transactions during the year

First Energy 4 Private Limited

First Energy 6 Private Limited

F Transactions with Related parties:

Particulars	For the year ended March 31, 2024	December 13, 2022 to March 31, 2023
With holding company		
First Energy Private Limited		
Subscription for equity shares by holding company	7,010.00	1.00
Interest expenses (capitalised)	427.69	16.42
Loan taken	18,719.20	2,610.00
Loan repaid	6,559.79	-
Reimbursement of expenses paid(inclusive of reimbursement of capital expenditure)	468.52	29.17
Entities under common control		
First Energy 6 Private Limited		
Reimbursement of expenses received	395.00	-
Reimbursement of expenses paid	0.13	-
First Energy 4 Private Limited		
Reimbursement of expenses received	669.80	-
Reimbursement of expenses paid	4.39	-

G Outstanding balances

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Balances as at the period end		
Holding company		
Borrowings	14,769.41	2,610.00
Interest accrued but not due on loan	299.87	14.77
Payable for property plant and equipments	94.12	-
Trade payables	18.62	29.17
Entities under common control		
First Energy 4 Private Limited		
Other receivables	669.80	-
Trade payables	4.39	-
First Energy 6 Private Limited		
Other receivables	395.00	-
Trade payables	0.13	-

H Terms and conditions for outstanding balances

All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings, refer note 12.

Transactions entered with related parties are arm's length basis.

22. Fair value measurements

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024	December 13, 2022 to March 31, 2023
Borrowings	14,769.41	2,610
Trade payables	37.28	30.87
Other financial liabilities	528.52	15.08
Total	**15,335.21**	**2,655.95**
Current liabilities	15,335.21	2,655.95
Non-current liabilities	-	-
Total	**15,335.21**	**2,655.95**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particulars	As at March 31, 2024	December 13, 2022 to March 31, 2023
Cash and cash equivalents	85.20	148.01
Other financial assets	1,342.05	-
Total	**1,427.25**	**148.01**
Current assets	1,427.25	148.01
Non-current assets	-	-
Total	**1,427.25**	**148.01**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at fair value through profit and loss

Particulars	As at March 31, 2024	December 13, 2022 to March 31, 2023
Financial assets		
Investments		
Mutual funds	24.25	-
Total financial assets (Current)	**24.25**	**-**

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

Fair value of market linked mutual funds is determined using Net Assets Value (NAV) report issued by mutual fund house.

Fair value hierarchy

Particulars	Date of valuation	Level 1	Level 2	Level 3
Financial Assets				
Investments				
Mutual funds	March 31, 2024	-	24.25	-

Level I: level 1 hierarchy includes financial instruments measured using quoted prices.

Level II: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instruments is included in level 2.

Level III: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

23 Financial risk management

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include receivable from group companies, security deposits and cash and cash equivalents. The Company also holds investments measured at fair value through profit and loss account.

Risk is inherent in the Company'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 Company's continuing operations. The Company is exposed to market risk, credit risk and liquidity risk.

The management of the company is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. 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 fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. 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 does not have any exposure to interest rate changes at the end of the reporting period, as there is no borrowings with variable rates.

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.

The company has not entered into any foreign currency transaction during the period and hence not exposed to any foreign currency risk.

c Price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. 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 security deposits) and from its investing activities, including deposits with banks and other financial assets.

Expected credit losses for

Balances with banks:

Credit risk from balances with banks is managed by Parent Company's finance department in accordance with the Company's policy. Investment of surplus fund are made only approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

Other financial assets carried at amortised cost

Company's exposure to other financial assets include receivable from group companies regarding reimbursement of expenses and security deposits which is consider to be low risk. No loss allowance is required to be recognised for the same.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity profile based on contractual undiscounted payments:

March 31, 2024

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	14,769.41	-	-	-
Trade Payables	-	37.28	-	-	-
Other financial liabilities	-	528.52	-	-	-

March 31, 2023

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	2,610.00	-	-	-
Trade payables	-	30.87	-	-	-
Other financial liabilities	-	15.08	-	-	-

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

24. Analytical ratios

S.No.	Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance	Reasons for variance of more than 25%
1	Current Ratio	Current Assets	Current Liabilities	0.09	0.05	78%	Majorly due to increase in receivable from group company
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	1.58	(21.53)	-107%	Variance is due to additional short term loan availed during the year from the holding company and equity infusion done
3	Return on Equity	Net Profits after taxes	Shareholder's Equity	-0.30%	25%	-101%	Variance is due to additional issue of equity share during the year
4	Return on investment	Earning before interest and taxes	Total assets	-0.11%	-0.01	-90%	Previous year operations were for the part period. Whereas, current year financials are prepared for the full year.
5	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	1.19	0.99	20%	Not applicable
6	Return on Capital employed	Earning before interest and taxes	Capital Employed	-0.11%	-1.23%	-91%	Variance is due to additional issue of equity share during the year and increase in borrowings

Capital employed = Tangible Net worth + total debt

25. 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 borrowings and equity. Capital represents equity attributable to equity holders of the Company.

	As at March 31, 2024	As at March 31, 2023
Borrowings	14,769.41	2,610.00
Less: Cash and cash equivalents (includes other bank balances)	85.20	148.01
Net debt	**14,684.21**	**2,461.99**
Equity	**9,348.14**	**(121.21)**
Net Debt to Equity	**1.57**	**(20.31)**

Decrease in Net debt to equity has increased on account of increase in equity and also there has been increase in debt..

26. Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz "Producer of power through renewable energy source". Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

27. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Dues to small-scale industrial undertakings have been worked out on the basis of information available with the Management.

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount dues to micro and small enterprises*	5.47	-
- Interest due thereon		
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	-	-
The amount of payment made to the supplier beyond the appointed day during the year	16.09	-
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	0.59	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.59	-
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.	0.59	-

First Energy 5 Private Limited

Notes to the Financial Statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

28. Other Statutory Information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current period.

(iv) There is no income surrendered or disclosed as income during the current period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact in current year.

(viii) Utilisation of borrowed funds and share premium

The Company has 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

The Company has 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.

29. 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations. The primary accounting software used for maintaining its books of account 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 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."

30. The Company was incorporated on December 10, 2022. Therefore, comparative amounts are for the period from December 13, 2022 to March 31, 2023.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No. 109846

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
First Energy 5 Private Limited

Ravi Damaraju
Director
DIN : 09554649

Sumit Rathi
Director
DIN : 07727272

Chandrasekar Sureshnathan
Chief Executive Officer

Sanjay Purohit
Chief Financial Officer

Swara Kharadkar
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 6 Private Limited

Board of Directors
Mitish Somani (Upto April 05,2024)
Ravi Damaraju
Sandeep Mandke
Sumit Rathi (w.e.f April 03,2024)

Registered Office
Unit No. 601, 6th Floor,
Cello Platina, F.C. Road,
Shivajinagar, Pune 411005

Auditors
Price Waterhouse & Co.
Chartered Accountants LLP
7th Floor, Business Bay, Tower A,
Wing -1, Airport Road,
Yerwada, Pune 411006

Key Managerial Personnel
Vijay Musalgaonkar - CEO
Krunal Thakarar - CFO
Hrishikesh Yadav - CS (w.e.f. May 02, 2024)

Bankers
ICICI Bank
Bank of Baroda

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure in presenting the First Annual Report, together with the audited financial statements of your Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	March 23, 2023, to March 31, 2024
Total income	2.5
Profit/loss before finance cost, depreciation, and tax	(78.13)
Finance Cost	-
Profit/loss before depreciation and tax	(78.13)
Depreciation and impairment	-
Profit/(Loss) before tax	(78.13)
Provision for taxation (incl. deferred tax)	-
Items that are not to be reclassified to profit or loss	-
Profit/(Loss) after tax	(78.13)

State of Company's Affairs

During the year, the Company has completed its Solar capacity of 33.15 MWp / 22.75 MW in the State of Tamil Nadu in March 2024. Due to the heavy rainfall and subsequent flooding in the state of Tamil Nadu in December 2023, the construction of the plant was disrupted, and the plant is currently under restoration.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

In a view of accumulated losses, the directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the Company has not transferred any amount to the General Reserve.

Share Capital

During the year there were changes in the capital structure. The Company has increased its authorized share capital from Rs. 1,00,000/- (Rupees One Lakh only) consisting of 10,000 (Ten Thousand) equity shares of Rs. 10/- each to Rs. 45,00,00,000 (Rupees Forty-Five Crores) consisting of 4,50,00,000 (Four Crore Fifty Lakhs) Equity Shares of Rs. 10 each. The increase in share capital was approved by the members of the Company in their Extra-Ordinary General Meeting held on April 19, 2023.

The Paid-up Share Capital of the Company is Rs. 44,62,94,500 divided into 4,46,29,450 Equity Shares of Rs.10 each. During the year under review, the Company has made further issue of shares to the existing shareholders and captive users on a rights and private placement basis. Details of the further issue of shares are as follows:

Date of Issue	Number of Shares	Nominal value per share (Rs.)	Amount paid up (Rs.)
31/05/2023	1,65,00,000	10	16,50,00,000
29/08/2023	15,00,000	10	1,50,00,000
21/09/2023	64,54,000	10	6,45,40,000
17/11/2023	2,01,65,450	10	20,16,54,500

The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity during the year.

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

The details of loans and investments covered under the provisions of section186 of the Companies Act, 2013, are given in the notes to the Financial Statements. During the year, the Company did not give any guarantee.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors, or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Renewable Energy business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involved the risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also collaborates with competent local infra partners and engages with experienced and capable service partners.

- **Renewable Sources and Grid Availability**

  The risk identified by the Company is lower generation on account of lower radiation, wind speed, and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources and accordingly sizes the plant and the financial models for arriving at the right tariff for the available conditions. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk involved the risk of revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using waterless robotic technology for cleaning modules and therefore manpower dependency is reduced.

Health and Safety

Across all its operational assets, sites and offices, the company implements policies that covers Health and safety.

The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors & Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ravi Damaraju (DIN: 09554649) retires by rotation and being eligible offers, himself for re-appointment. The proposal for re-appointment forms part of the Notice of the First AGM of the Company.

During the year, Mr. Vijay Musalgaonkar was appointed as the Chief Executive Officer, and Mr. Krunal Thakarar was appointed as the Chief Financial Officer with effect from December 22, 2023.

Board Meetings

During the year, the Board met six times on May 22, 2023, September 04, 2023, September 20, 2023, November 10, 2023, December 22, 2023, and February 06, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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 judgment 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 or loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Financial Statements

Pursuant to Section 2(41) of the Companies Act, 2013, the financial year of the companies incorporated after the 1st day of January of a year shall end on the 31st day of March of the following year, in respect whereof the financial statement of the company is made up. Accordingly, the Company has prepared the financial statements from the date of incorporation to March 31, 2024 as per Schedule III to the Companies Act, 2013, as amended from time to time.

Conservation of energy and technological absorption

As a part of its "Build-Green" initiatives, the Company has installed solar powered Robots to clean the solar modules at the Opex projects thus ensuring waterless cleaning. In the case of Technology absorption, the Company used higher rated (540 & 550Wp) Monoperc PV models with better efficiency. The structure is designed to withstand the wind load. Robot technology is being adopted for cleaning the modules and this will help to conserve water and reduce soiling losses.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the Company is a subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the roll of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

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

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of the Companies Act, 2013 as of March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing a safe and conducive work environment for its employees and has complied with provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013.

There were no cases pending at the beginning of the year/ filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of a onetime settlement with any Bank or Financial Institution.

Statutory Auditors

The Shareholders in their Extra- Ordinary General Meeting held on June 20, 2023, has appointed M/s Price Waterhouse Chartered Accountants LLP (FRN. 012754N/N500016) as the Statutory Auditors of the Company for FY 2023-24 until the conclusion of 1st Annual General Meeting to be held in FY 2024-25.

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions:

a. High Tension tariffs upward revision was made w.e.f 1st July 2023. This enhances captive savings for captive consumers. This hike shall be effective in every financial year on the 1st of July, based on Consumer Price Index (CPI) based inflation or 6% whichever is lower . This has a positive impact on the business of the Company.

b. Deviation Settlement Mechanism (DSM) has been notified for solar and wind plants in the state. Renewable Energy plants shall schedule the day ahead of power injection. In case of deviation in prescribed bands, there are commercial implications, effective 1st April 2024. The Company is required to financially provide for the commercial implications towards these payments.

c. The Hon'ble Supreme Court vide order dated 9th Oct 2023, has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, minimum 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work, and support.

For and on behalf of the Board of Directors of

First Energy 6 Private Limited

Ravi Damaraju	**Sumit Rathi**
Director	Director
DIN - 09554649	DIN: 07727272

Pune, May 02, 2024

First Energy 6 Private Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy 6 Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of First Energy 6 Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period from March 23, 2023 to March 31, 2024, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the period from March 23, 2023 to March 31, 2024.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

Report on other legal and regulatory requirements

10. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) 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.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended March 31, 2024.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 30(viii) to the 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, as disclosed in the Note 30(viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the eriod.

        vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

12. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company. However, the Company has not paid/ provided any managerial remuneration during the period.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDC2021
Place : Pune
Date : May 8, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of First Energy 6 Private Limited on the financial statements for the period from March 23, 2023 to March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of First Energy 6 Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the period from March 23, 2023 to March 31, 2024.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDC2021
Place : Pune
Date : May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of First Energy 6 Private Limited on the financial statements as of and for the period from March 23, 2023 to March 31, 2024

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the period and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company (d) The Company has chosen cost model for its Property, Plant and Equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the period, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has made investments in 2 mutual fund schemes. The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, accordingly to this extent, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

(b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.

(c) The Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the period.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 14 to the financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has utilised funds raised on short-term basis aggregating Rs. 727.15 lakhs for long-term purposes.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made a private placement of shares during the period, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.

xi (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the period by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

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xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the period. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 78.13 lakhs in the financial year. The current financial year being the first year of incorporation of the Company, reporting under Clause (xvii) to the extent it relates to the immediately preceding financial year, is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the period and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN : 24134593BKFJDC2021
Place : Pune
Date : May 8, 2024

Balance Sheet as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024
Assets		
Non-current assets		
Property, plant and equipment	3	154.93
Capital work-in-progress	3	16,488.20
Deferred tax assets (net)	4	-
Income tax assets (net)	5	0.86
Other non-current assets	6	2.81
Total non -current assets		**16,646.80**
Current assets		
Financial assets		
(a) Investments	7	252.32
(b) Trade receivables	11	19.57
(c) Other financial assets	8	157.50
(d) Cash and cash equivalents	9(a)	386.08
(e) Bank balance other than (d) above	9(b)	287.00
Other current assets	10	0.25
Total current assets		**1,102.72**
Total assets		**17,749.52**
Equity and Liabilities		
Equity		
Equity share capital	12	4,462.95
Other equity	13	(122.17)
Total equity		**4,340.78**
Non-current liabilities		
Financial liabilities		
(a) Borrowings	14(a)	11,433.76
Total non-current liabilities		**11,433.76**
Current liabilities		
Financial liabilities		
(a) Borrowings	14(b)	968.11
(b) Trade payables		
i) total outstanding dues of micro and small enterprises	15	0.65
ii) total outstanding dues of creditors other than micro and small enterprises	15	54.14
(c) Other financial liabilities	16	923.57
Other current liabilities	17	28.51
Total current liabilities		**1,974.98**
Total equity and liabilities		**17,749.52**

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date.

Statement of Profit and Loss for the period March 23, 2023 to March 31, 2024

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

Particulars	Note No	March 23, 2023 to March 31, 2024
Income		
Other income	18	2.50
Total Income		**2.50**
Expenses		
Finance costs	19	-
Other expenses	20	80.63
Total Expenses		**80.63**
Loss before tax		**(78.13)**
Tax expense		**-**
Current tax	4	-
Loss for the period		**(78.13)**
Other comprehensive income		**-**
Total comprehensive loss for the period		**(78.13)**
Loss per equity share		
Basic and Diluted (In Rs)(nominal value per share Rs 10)	21	(0.31)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 6 Private Limited

Ravi Damaraju
Director
DIN : 09554649

Sumit Rathi
Director
DIN : 07727272

Vijay Musalgaonkar
Chief Executive Officer

Krunal Thakarar
Chief Financial Officer

Hrishikesh Yadav
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 6 Private Limited

Statement of Cash flows for the period March 23, 2023 to March 31, 2024

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

	Particulars	March 23, 2023 to March 31, 2024
A)	**Cash flows from operating activities**	
	Loss before tax	(78.13)
	Adjustments for	
	Interest income from financial assets at amortised cost	(2.50)
	Working capital adjustments	
	(Increase) in trade receivables	(19.57)
	(Increase) in other financial assets	(157.50)
	(Increase) in other assets	(0.16)
	Increase in trade payables	54.79
	Increase in other liabilities	28.51
	Increase in other financial liabilities	0.19
	Cash generated (used in) operations	**(174.37)**
	Income taxes paid	(0.86)
	Net cash generated (used in) operating activities	**(175.23)**
B)	**Cash flows from investing activities**	
	Payment for property, plant and equipment	(14,950.49)
	Payment for fixed deposit placed with bank	(287.00)
	Payment for purchase of current investments	(419.00)
	Proceeds from sale of current investments	166.68
	Interest income from financial assets at amortised cost	2.41
	Net cash flows (used in) investing activities	**(15,487.40)**
C)	**Cash flows from financing activities**	
	Proceeds from borrowings	22,598.22
	Transaction cost for availing borrowing	(80.14)
	Repayment of borrowings	(10,116.21)
	Proceeds from issue of Equity shares	4,462.95
	Cost related to issue of own equity instruments	(44.04)
	Interest and reimbursment of interest paid capitalised	(772.07)
	Net cash flows from financing activities	**16,048.71**
	Net increase in cash and cash equivalents	**386.08**
	Cash and cash equivalents at the beginning of the period	-
	Cash and cash equivalents at the end of the period	**386.08**

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

Particulars	March 31, 2024
Cash and cash equivalents (refer note 9 (a))	386.08
Balances as per statement of Cash flow	**386.08**

Notes:

i) Statement of Cash Flows has been prepared under the "Indirect Method" in accordance with 'IND AS 7 : Statement of Cash Flows'.

ii) Refer Note 14(b) for Net debt reconciliation

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 6 Private Limited

Ravi Damaraju
Director
DIN : 09554649

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Director
DIN : 07727272

Vijay Musalgaonkar
Chief Executive Officer

Krunal Thakarar
Chief Financial Officer

Hrishikesh Yadav
Company Secretary

Place: Pune
Date: May 2, 2024

Statement of changes in Equity for the period March 23, 2023 to March 31, 2024

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

A Equity Share Capital

Particulars	Amount
As at March 23, 2023	-
Issue during the period	4,462.95
As at March 31, 2024	**4,462.95**

B. Other equity

Particulars	Reserves & Surplus	Cost related to issue of Own Equity Instruments(net of Deferred Tax)
As at March 31, 2023	-	-
Loss for the period	(78.13)	(78.13)
Other comprehensive income	-	-
Total comprehensive loss for the period	**(78.13)**	**(78.13)**
Cost related to issue of own equity instruments	(44.04)	(44.04)
As at March 31, 2024	**(122.17)**	**(122.17)**

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 6 Private Limited

Ravi Damaraju
Director
DIN : 09554649

Sumit Rathi
Director
DIN : 07727272

Vijay Musalgaonkar
Chief Executive Officer

Krunal Thakarar
Chief Financial Officer

Hrishikesh Yadav
Company Secretary

Place: Pune
Date: May 2, 2024

1. Corporate information

First Energy 6 Private Limited ("the Company") is a private limited company domiciled in India and incorporated on March 23, 2023 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of solar power.

The address of the Company's registered office is 6th Floor, Office No 601, Cello Platina, FC Road, Shivaji Nagar, Pune, Maharashtra – 411005. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U35105PN2023PTC218888.

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied, unless otherwise stated.

2.1. Basis of preparation and measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments);

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

Disclosure of accounting policies - amendments to Ind AS 1

- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

2.3 Summary of material accounting policies

a. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

2.4. Summary of other accounting policies

a. 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

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 derecognized 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.

Notes to the Financial Statements for the period March 23, 2023 to March 31, 2024

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from Sale of power

Revenue from sale of power is recognised at transaction price and over time for each unit of electricity delivered at the contracted rate. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

d. Property, Plant and Equipment

All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	25	22
Building	30	3 to 30

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

e. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

f. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

h. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

i. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

j. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

k. Segment reporting

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 been identified as the chief operating decision maker of the Company.

l. Contingent liabilities

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.

m. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

n. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

ii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

v. Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

Notes to the Financial Statements for the period March 23, 2023 to March 31, 2024

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

3 (a) Property, Plant and Equipment

Particulars	Land Freehold	Total	Capital work-in-progress
Gross carrying amount:			
As at March 23, 2023	**-**	**-**	**-**
Additions	154.93	154.93	16,488.20
Deduction	-	-	-
As at March 31, 2024	**154.93**	**154.93**	**16,488.20**
Accumulated depreciation			
For the period	**-**	**-**	**-**
Deduction	-	-	-
As at March 31, 2024	**-**	**-**	**-**
Net carrying amount:			
As at March 31, 2024	**154.93**	**154.93**	**16,488.20**

Ageing of capital work-in-progress

Particulars/Projects	As at March 31, 2024				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress					
22.75 MW Solar project	16,488.20	-	-	-	16,488.20
Sub-total	**16,488.20**	**-**	**-**	**-**	**16,488.20**

Capital work in progress balances pertains to overdue project under construction and is expected to be completed and capitalised in May 2024.

Capitalization of expenses

During the period, the Company has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes were net of amounts capitalized by the Company.

Particulars	As at March 31, 2024
Reimbursement of salaries and wages	272.07
Interest and reimbursement of Interest expenses*	782.31
Depreciation and reimbursement of depreciation*	21.25
Reimbursement of other expenses	8.80
Total	**1,084.43**

* Reimbursement of interest and depreciation includes expenses pertaining to rental property for which right-of-use assets and lease liabilities have been recognised.

4. Deferred tax assets (net)

The Company has tax losses of Rs. 43.77 lakhs that are available for offsetting for future taxable profits. 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 Company and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company was able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs. 11.02 lakhs.

Particulars	As at March 31, 2024		
	Expiry date	Amount	Tax Impact
Tax Losses	FY 2031-32	43.77	11.02
Total		**43.77**	**11.02**

*Held as lien against bank guarantee given

5 Deferred tax assets (net)

Deferred tax assets amounting to Rs. 20.91 lakhs have not been recognised in respect of following items, because it is not probable that future profit will be available against which the Company can use the benefits therefrom.

Particulars	As at March 31, 2023	
	Amount	Expiry date
Tax Losses	121.93	FY 2030-31
Total	**121.93**	

Reconciliation of tax expenses and the accounting profit multiplied by tax rate

Particulars	March 23, 2023 to March 31, 2024
Loss before tax	(78.13)
Indian statutory income tax rate	17.17%
Expected tax expense / (credit)	(13.41)
Deferred tax not recognised on losses and depreciation	11.02
Other	2.39
Total tax expense	**-**

5. Non-current tax assets (net)

Particulars	As at March 31, 2024
Opening balance	-
Add: Taxes paid during the period	0.86
Less: Current tax payable for the period	-
Total	**0.86**

6. Other non-current assets

Particulars	As at March 31, 2024
Capital advances	2.81
Total	**2.81**

There were no advances due by directors or other 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 any director is a partner or a member.

7. Current investment

Particulars	As at March 31, 2024	
	Number of units	Amount
Investment at fair value through Profit and Loss		
Investments in Mutual Funds:		
ICICI Prudential Overnight Fund Growth - Regular	17,085	219.46
HSBC Liquid Fund Growth - Regular	1,377	32.86
Total current investments		**252.32**
Aggregate value of quoted investments and market value thereof		-
Aggregate value of unquoted investments		252.32
Aggregate amount of impairment in the value of investments		-

Notes to the Financial Statements for the period March 23, 2023 to March 31, 2024

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

8. Other financial assets (Current)

Particulars	As at March 31, 2024
Security deposits	157.50
Total	**157.50**

9(a) Cash and cash equivalents

Particulars	As at March 31, 2024
Balance with bank	
- in current accounts	386.08
Total	**386.08**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

9(b) Other bank balances

Particulars	As at March 31, 2024
Deposits with original maturity of more than three months but less than twelve months	287.00
Total	**287.00**

10. Other current assets

Particulars	As at March 31, 2024
Interest accrued but not due	0.09
Others	0.16
Total	**0.25**

There were no advances due by directors or other 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 any director is a partner or a member.

11. Trade receivables

Particulars	As at March 31, 2024
Trade receivables	
-Unbilled*	19.57
-Billed	-
Total	**19.57**
Break-up for security details:	
Secured considered good	-
Unsecured considered good	19.57
Trade receivable which have a significant increase in credit risk	-
Trade receivables - credit impaired	-
	19.57
Less: impairment allowance	
Total	**19.57**

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

*The receivables are unbilled because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

Trade receivable relates to sale of power generated during testing period which has been netted off against the cost of property, plant and equipment.

Trade receivables ageing:

Particulars	Not Due	Unbilled	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024								
Undisputed trade receivables- considered good	-	19.57	-	-	-	-	-	19.57
Total	**-**	**19.57**	**-**	**-**	**-**	**-**	**-**	**19.57**

12. Share Capital

a) Authorised Share Capital

Particulars	No. of shares	As at March 31, 2024
As at March 23, 2023	-	-
Increase during the period	45,000,000	4,500.00
As at March 31, 2024	**45,000,000**	**4,500.00**

b) Issued, Subscribed and Paid up Share Capital

Particulars	No. of shares	Amount
As at March 23, 2023	-	-
Issue during the period	44,629,450	4,462.95
As at March 31, 2024	**44,629,450**	**4,462.95**

c) Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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.

d) Equity shares held by holding company

Particulars	As at March 31, 2024	
	No. of shares	Amount
Holding company		
First Energy Private Limited		
Equity shares of Rs 10 each	33,009,994	3,301.00

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

Name of the Shareholder	As at March 31, 2024
(i) First Energy Private Limited	
% Holding	73.96%
No. of shares	33,009,994
(ii) MRF Limited	
% Holding	11.57%
No. of shares	5,165,450
(iii)The Lakshmi Mills Company Limited	
% Holding	7.06%
No. of shares	3,150,000

f) Shares held by promoters at the end of the period

Name of Promoter	As at March 31, 2024	
	Number of shares	% of total number of shares
First Energy Private Limited	33,009,994	73.96%

13. Other equity

Particulars	As at March 31, 2024
Retained earnings	
Opening balance	-
Loss for the period	(78.13)
Add : Other Comprehensive Income	-
	(78.13)
Cost related to issue of own equity instruments	(44.04)
Total	**(122.17)**

14. Borrowings

a) Non-current borrowings

Particulars	As at March 31, 2024
Secured loans from Bank	
Indian rupee loans from banks*	11,578.87
Less: Current maturities of long-term debts	145.11
(included in current borrowings)	
Total	**11,433.76**

* After considering unamortised expense of Rs 80.13 lakhs

Aggregate secured borrowings	11,433.76
Aggregate unsecured borrowings	-

Details	Maturity date	Terms of payment	Interest rate	March 31, 2024
Loan from Bank of Baroda	April 01, 2044	Repayable in 79 structured quarterly installments from October 01, 2024	9.20%	11,578.87

Details of security

Indian rupee loans from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the Company (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the Company held by the holding company.

14(b) Current borrowings

Particulars	As at March 31, 2024
Secured loans	
Current maturities of long term borrowings from bank	145.11
Unsecured loans	
Loan from holding companies	823.00
Total	**968.11**

Aggregate secured borrowings	145.11
Aggregate unsecured borrowings	823.00

Particulars	Maturity date	Terms of payment	Interest rate	March 31, 2023
Loan from Holding company	March 31, 2025	Repayable in single/multiple tranches along with the accumulated interest thereon	8.15%	823.00

During the year, the Company has used all the borrowings for specific purpose for which they have been obtained.

Net debt reconciliation

Particulars	As at March 31, 2024
Cash and cash equivalents	386.08
Interest accrued	(10.24)
Borrowings	(12,401.87)
Net debt	**(12,026.03)**

	Liabilities from financing activities		Total
	Borrowings	Lease liabilities	
Net debt as at March 23, 2023	**-**	**-**	**-**
Cash flows	386.08	(12,401.87)	(12,015.80)
Interest capitalised	-	(782.31)	(782.31)
Interest paid	-	772.07	772.07
Net debt as at March 31, 2024	**386.08**	**(12,412.11)**	**(12,026.03)**

15. Trade payables

Particulars	As at March 31, 2024
Total outstanding dues of micro and small enterprises	0.65
Total outstanding dues of creditors other than micro and small enterprises	
i) Related parties	42.89
ii) Others	11.25
Total	**54.79**

Ageing schedule for trade payable

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:	-	-	-	-	-	-	-
(i) Micro and small enterprises	0.41	0.24	-	-	-	-	0.65
(ii) Others	18.66	-	35.48	-	-	-	54.14
Total	**19.07**	**0.24**	**35.48**	**-**	**-**	**-**	**54.79**

16. Other financial liabilities (current)

Particulars	As at March 31, 2024
Payable for property, plant and equipment	913.15
Interest accrued but not due on loans	10.24
Others	0.18
Total	**923.57**

17. Other current liabilities (current)

Particulars	As at March 31, 2024
Statutory dues	2.47
Others	26.04
Total	**28.51**

Notes to the Financial Statements for the period March 23, 2023 to March 31, 2024

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

18. Other income

Particulars	March 23, 2023 to March 31, 2024
Interest income from financial assets at amortised cost	
Total	**2.50**

19. Finance costs

Particulars	March 23, 2023 to March 31, 2024
Interest expense on financial liabilities measured at amortised cost	782.31
Less: Capitalized during the period	(782.31)
Total	**-**

20. Other expenses

Particulars	March 23, 2023 to March 31, 2024
Rent expenses	0.15
Legal and professional fees	3.09
Auditor's remuneration (Refer below note)	1.77
Rates and taxes	7.82
Travelling and conveyance	0.04
Corporate overhead allocation	47.63
Miscellaneous expenses	20.13
Total	**80.63**

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current period.

Note: Auditor's remuneration

Particulars	March 23, 2023 to March 31, 2024
Statutory audit fees (Including GST)	1.77
Total	**1.77**

21. Loss per share

Particulars	March 23, 2023 to March 31, 2024
Net loss attributable to the equity shareholders of the Company	(78.13)
Weighted average number of equity shares of Rs.10/- each	25,438,681
Basic and Diluted Loss per share	**(0.31)**

22 Contingent Liabilities and commitments

Contingent Liabilities

There are no liabilities of contingent nature.

Capital commitments

Estimated amount of contracts remaining to be executed in capital account (net of advances) and not provided for is Rs 852 lakhs.

23 Related party disclosures

A Immediate Holding Company

First Energy Private Limited

B Ultimate Holding Company

RDA Holding Private Limited

C. Intermediate holding company

Thermax Limited (most senior parent that produces consolidated financial statements for public use)

D. Key Management Personnel:

1 Ravi Damaraju - Director

2 Sandeep Mandke- Director

3 Vijay Musalgaonkar- CEO (w.e.f. December 22, 2023)

4 Krunal Thakarar- CFO (w.e.f. December 22, 2023)

5 Sumit Rathi - Additional Director (w.e.f. April 03, 2024)

6 Hrishikesh Yadav - Company secretary (w.e.f. May 02, 2024)

E. Entities under common control with whom there have been transactions during the year

1 First Energy 4 Private Limited

2 First Energy 5 Private Limited

F. Transactions with related parties:

	March 23, 2023 to March 31, 2024
(a) Transaction during the period	
With Immediate holding company	
First Energy Private Limited	
Subscription for equity shares by holding company	3,301.00
Interest on borrowings (capitalised)	446.91
Reimbursement of expenses paid (including capitalised)	388.34
Loan taken	10,939.22
Loan repaid	10,116.22
Entities under common control	
First Energy 4 Private Limited	
Reimbursement of expenses received	0.49
Reimbursement of interest paid	293.10
Reimbursement of expenses paid	3365.31
First Energy 5 Private Limited	
Reimbursement of expenses paid	0.13
Reimbursment of expenses Paid (Common Infrastructure Cost)	395.00

G Outstanding balances

Particulars	As at March 31, 2024
Balances as at the period end	
Immediate holding company	
Borrowings	823.00
Trade payable	42.89
Payable for property, plant and equipment	38.56
Interest accrued but not due	10.24
Entities under common control	
Payable for property, plant and equipment	395.00

H. Terms and conditions for outstanding balances

All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings, refer note 14.

The transactions entered with related parties are at arm's length basis.

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

24. Fair value measurements

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024
Trade payables	54.78
Borrowings	12,401.87
Other financial liabilities	923.57
Total	**13,380.22**
Current liabilities	1,946.46
Non-current liabilities	11,433.76
Total	**13,380.22**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particulars	As at March 31, 2024
Trade receivables	19.57
Cash and cash equivalents	386.08
Bank balances other than cash and cash equivalents	287.00
Other financial assets	157.50
Total	**850.15**
Current assets	850.15
Non-current assets	-
Total	**850.15**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at fair value through profit and loss

Particulars	As at March 31, 2024
Financial assets	
Investments	
Mutual funds	252.32
Total financial assets (Current)	**252.32**

Fair value of market linked mutual funds is determined using Net Asset Value (NAV) report issued by mutual fund house.

Fair value hierarchy

Particulars	Date of valuation	Level 1	Level 2	Level 3
Financial Assets				
Investments				
Mutual funds	March 31, 2024	-	252.32	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The Fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

25. Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents are derived directly from its operations. The Company also holds investments measured at fair value through profit and loss account

Risk is inherent in the Company'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 Company's continuing operations. The Company is exposed to market risk, credit risk and liquidity risk.

The management of the company is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. 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 fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024.

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 does not have any exposure to interest rate changes at the end of the reporting period, currently as there is no borrowings with variable rates.

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.

The company has not entered into any foreign currency transaction during the period and hence not exposed to any foreign currency risk.

c Price risk

The Company's investments are susceptible to market risk arising from uncertainties about future values of the investment securities. These securities are unquoted. The Company manages the price risk through placing limits on individual and total equity/ mutual fund investments. Reports on the investment portfolio are submitted to the management on a regular basis. The Company is not currently exposed significantly to such risks

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

Notes to the Financial Statements for the period March 23, 2023 to March 31, 2024

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

operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters. An impairment analysis is performed based on expected credit loss model at each reporting date. 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 above. There is no charge of impairment to Statement of profit and loss.

Expected credit loss for trade receivable under simplified approach

Trade receivables	As at March 31, 2024		
	Gross	Expected loss rate	Expected loss allowance
Unbilled	19.57	0%	-
Total	**19.57**		**-**

Expected credit loss for

Balances with banks

Credit risk from balances with banks is managed by the Parent Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

Other financial assets carried at amortised cost

Company's exposure to other financial asset includes security deposits which is considered to be low risk. No loss allowance is required to be recognised for the same.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities the availability of funding through an adequate amount of committed credit facilities to meet obligations. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below summarises the company's financial liabilities into relevant maturity profile based on contractual undiscounted

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	968.11	448.76	792.81	10272.32
Trade payables	-	54.78	-	-	-
Other financial liabilities	-	923.57	-	-	-

26 Analytical ratios

S. No.	Particulars	Numerator	Denominator	For the period ended March 31, 2024
1	Current Ratio	Current assets	Current liabilities	0.56
2	Debt-Equity Ratio	Total debt	Shareholders' equity	2.86
3	Return on Equity	Net profits after taxes	Shareholder's equity	-1.80%
4	Trade payables turnover Ratio	Net Credit Purchases	Average trade payables	0.96
8	Net capital turnover Ratio	Total Sales	Working Capital	
5	Return on investment	Earning before interest and taxes	Total assets	0.45%
6	Return on Capital employed	Earning before interest and taxes	Capital employed	-0.47%

Working Capital = Current assets less Current liabilities

Capital employed = Tangible Net worth plus total debt

27. 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

	As at March 31, 2024
Borrowings	12,401.87
Less: Cash and cash equivalents (includes other bank balances)	673.08
Net debt	**11,728.79**
Equity	**4,340.78**
Net Debt to Equity	**2.70**

Loan Covenants

Under the terms of the borrowing facilities, the Company is required to comply with the following financial covenants:

(a) Fixed Asset Coverage Ratio should not be less than 1.24:1

(b) Debt Service coverage ratio (DSCR) to be not less than 1.25

(c) Interest Coverage Ratio does not fall below 1.5:1

(d) Total outside liability/ Tangible Net Worth should not be more than 4:1

The financial covenant shall be tested based on the audited financial statements every year from first full year of commercial operation. Accordingly, these covenants will not be tested from the current period.

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

28. Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz "Producer of power through renewable energy source". Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

29. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Dues to small-scale industrial undertakings have been worked out on the basis of information available with the Management.

Particulars	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	
- Principal amount dues to micro and small enterprises	0.65
- Interest due thereon	0.02
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	-
The amount of payment made to the supplier beyond the appointed day during the year	1.22
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	0.02
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.04
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.	0.04

30. Other statutory information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current period.

(iv) There is no income surrendered or disclosed as income during the current period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current period.

(viii) Utilisation of borrowed funds and share premium
The Company has 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.

The Company has 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.

31. 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations. The primary accounting software used for maintaining its books of account 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 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.

32. The Company was incorporated on March 23, 2023. The financial statements are prepared for the period March 23, 2023 to March 31, 2024 as the first financial statement of the Company. Hence, comparative amounts do not exist for the current period.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. : 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 6 Private Limited

Ravi Damaraju
Director
DIN : 09554649

Sumit Rathi
Director
DIN : 07727272

Vijay Musalgaonkar
Chief Executive Officer

Krunal Thakarar
Chief Financial Officer

Hrishikesh Yadav
Company Secretary

Place: Pune
Date: May 2, 2024

First Energy 7 Private Limited

Board of Directors
Mitish Somani (Upto April 5, 2024)
Ravi Damaraju
Sandeep Mandke
Sumit Rathi (w.e.f April 3, 2024)

Registered Office
Unit No. 601, 6th Floor,
Cello Platina, F.C. Road,
Shivajinagar, Pune 411005

Auditors
Price Waterhouse & Co.
Chartered Accountants LLP
7th Floor, Business Bay, Tower A,
Wing -1, Airport Road,
Yerwada, Pune 411006

Bankers
ICICI Bank

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure to present the First Annual Report, together with the audited financial statements of your Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	For the period ended on FY March 31, 2024
Total income	7.49
Profit before finance cost, depreciation, and tax	(3.31)
Finance Cost	-
Profit before depreciation and tax	(3.31)
Depreciation and impairment	-
Profit/(Loss) before tax	(3.31)
Provision for taxation (incl. deferred tax)	-
Items that are not to be reclassified to profit or loss	-
Profit/(Loss) after tax	(3.31)

State of Company's Affairs

The Company was incorporated on March 26, 2023. The Company has launched a Solar project with a plant capacity of 15.5MWp/11.5MW. The plant is in the advanced stage of construction.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

The directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the company has not transferred any amount to the General Reserve.

Share Capital

During the year there were changes in the capital structure of the Company. The Company has increased its authorized share capital from Rs. 1,00,000/- (Rupees One Lakh only) consisting of 10,000 (Ten Thousand) equity shares of Rs. 10/- each to Rs. 21,00,00,000 (Rupees Twenty one Crore) consisting of 21,00,000 (Twenty One Lakh) Equity Shares of Rs. 10 each. The increase in share capital was approved by the members of the Company in their Extra-Ordinary General Meeting held on November 15, 2023. The Paid-up Share Capital of the Company is Rs. 18,82,00,000 divided into 1,88,20,000 Equity Shares of Rs.10 each. During the year under review, the Company has made the further issue of shares to the existing shareholders on private placement basis. Details of the further issue of shares are as follows:

Date of Issue	Number of Shares	Nominal value per share (Rs.)	Amount (Rs.)
28/12/2023	1,88,10,000	10	18,81,00,000

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

The details of loans and investments covered under the provisions of section186 of the Companies Act, 2013, are given in the notes to the Financial Statements. During the year, the Company did not give any guarantee.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Solar business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involved the risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also contracts competent local infra partners having experience and capability

- **Renewable Sources and Grid Availability**

  The major risk identified by the Company is generation loss due to lower radiation, wind speed, and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk involved the risk of revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using water for cleaning modules at regular frequency.

Health and Safety

Across all its operational assets, sites and offices, the Company implements policies that covers Health and safety. The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors

During the year there were no changes in director's of the Company.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ravi Damaraju (DIN: 09554649) retires by rotation and being eligible offers, himself for re-appointment. The proposal of re-appointment forms part of the Notice of the first AGM of the Company.

Board Meetings

During the year, the Board met five times on April 24, 2023, June 19, 2023, October 13, 2023, November 15, 2023 and December 27, 2023. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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 judgment 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 and loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Financial Statements

Pursuant to Section 2(41) of the Companies Act, 2013, the financial year of the companies incorporated after the 1st day of January of a year shall end on the 31st day of March of the following year, in respect whereof the financial statement of the company is made up. Accordingly, the Company has prepared the financial statements from the date of incorporation to March 31, 2024 as per Schedule III to the Companies Act, 2013, as amended from time to time.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Conservation of energy and technological absorption

The Company is in the business of renewable energy. The Company aims to conserve the environment by bringing about significant change in methods of using energy through the application of Solar, Wind and associated Renewable energy generation sources for commercial & industrial customers. As a part of its "Build-Green" initiatives, the Company has planned to install solar powered Robots to clean the solar modules at the Opex projects thus ensuring waterless cleaning.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the company is a Subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the roll of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

There are no significant or material orders passed by the Regulators / Courts.

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of the Companies Act, 2013 as of March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing employees with a safe and conducive work environment. It has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013. No cases were pending at the beginning of the year/ filed during the year, according to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of onetime settlement with any Bank or Financial Institution.

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions:

a. Via green open access regulations, captive demand in the state is set to expand. Open access is now allowed for consumers with smaller connected loads (> 100kW) but capped at resultant power flow. This has a positive impact on the business of the Company.

b. Maharashtra Energy Development Authority (MEDA) notified the MH Green Hydrogen Policy 2023 defining incentives available for Renewable Energy projects developed in the state, for supply to Green Hydrogen projects. This has a positive impact on the business of the Company.

c. The Hon'ble Supreme Court vide order dated 9th October, 2023, has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, minimum 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Auditors

M/s Price Waterhouse Chartered Accountants LLP, (Firm Registration Number. 012754N/N500016) were appointed as first statutory auditors of the Company in the Extra-Ordinary General Meeting of the members held on June 20, 2023 to hold the office from the conclusion of 1st Extra Ordinary General Meeting until the conclusion of 1st Annual General Meeting of the Company. The Auditor's Report for FY 2023-24 does not contain any qualification, reservation, or adverse remark.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work and support.

For and on behalf of the Board of Directors of

First Energy 7 Private Limited

Sandeep Mandke Director DIN: 09619581	**Ravi Damaraju** Director DIN - 09554649

Pune, May 02, 2024

First Energy 7 Private Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy 7 Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of First Energy 7 Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period from March 26, 2023 to March 31, 2024, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the period from March 26, 2023 to March 31, 2024.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

Report on other legal and regulatory requirements

10. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) 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.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended March 31, 2024.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 30(viii) to the 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, as disclosed in the Note 30(viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the period.

        vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

12. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company. However, the Company has not paid/ provided any managerial remuneration during the period.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDD1910
Place : Pune
Date : May 8, 2024

First Energy 7 Private Limited

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of First Energy 7 Private Limited on the financial statements for the period from March 26, 2023 to March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of First Energy 7 Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the period from March 26, 2023 to March 31, 2024.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDD1910
Place : Pune
Date : May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of First Energy 7 Private Limited on the financial statements as of and for the period from March 26, 2023 to March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the period and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) (Refer Note 3(b) to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets). Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the period, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, income tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the period.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has utilised funds raised on short-term basis aggregating Rs 1,150.19 Lakhs for long-term purposes.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made a private placement of shares during the period, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the period by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the period. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 3.31 lakhs in the financial year. The current financial year being the first year of incorporation of the Company, reporting under Clause 3(xvii) to the extent it relates to the immediately preceding financial year, is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the period and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDD1910
Place : Pune
Date : May 8, 2024

BALANCE SHEET as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024
Assets		
Non-current assets		
Capital work-in-progress	3(a)	2,409.30
Right-of-use assets	3(b)	263.79
Financial assets		
(a) Other financial assets	4	0.90
Deferred tax assets (net)	5	-
Income tax assets (net)	6	1.03
Other non-current assets	7	542.83
Total non-current assets		**3,217.85**
Current assets		
Financial assets		
(a) Cash and cash equivalents	8	63.20
Total current assets		**63.20**
Total Assets		**3,281.05**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	9	1,882.00
Other equity	10	(24.55)
Total Equity		**1,857.45**
Non-current liabilities		
Financial liabilities		
(a) Lease liabilities	11(a)	210.21
Total non-current liabilities		**210.21**
Current liabilities		
Financial liabilities		
(a) Borrowings	12	859.00
(b) Lease liabilities	11(b)	20.30
(c) Trade payables		
i) total outstanding dues of micro and small enterprises	13	11.25
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	11.87
(d) Other financial liabilities	14	291.83
Other current liabilities	15	19.14
Total current liabilities		**1,213.39**
Total Equity and Liabilities		**3,281.05**

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date.

Statement of profit and loss for the period ended March 26, 2023 to March 31, 2024

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

Particulars	Note No	March 26, 2023 to March 31, 2024
Income		
Other income	16	7.49
Total Income		**7.49**
Expenses		
Finance costs	17	-
Depreciation and amortisation expense	18	-
Other expenses	19	10.80
Total Expenses		**10.80**
Loss before tax		**(3.31)**
Tax expense		**-**
Loss for the period		**(3.31)**
Other comprehensive income		**-**
Total comprehensive loss for the period		**(3.31)**
Loss per equity share		
Basic & Diluted [nominal value per share ₹ 10]	20	(0.07)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 7 Private Limited

Sumit Rathi
Director
DIN : 07727272

Place: Pune
Date : May 2, 2024

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date : May 2, 2024

First Energy 7 Private Limited

Statement of cash flow for the period March 26, 2023 to March 31, 2024

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

	Particulars	March 26, 2023 to March 31, 2024
A)	**Cash flows from operating activities**	
	Loss before tax	(3.31)
	Adjustments for:	
	Interest income classified an investing cash flow	(7.49)
	Working capital adjustments	
	(Increase) in other financial assets	(0.90)
	Increase in trade payables	23.12
	Increase in other financial liabilities	1.11
	Increase in other liabilities	19.14
	Cash generated from/(used in) operations	**31.67**
	Income taxes paid	(1.03)
	Net cash generated from operating activities	**30.64**
B)	**Cash flows from investing activities**	
	Payments for property, plant and equipment	(2,629.82)
	Interest received	7.49
	Initial direct cost pertaining to right-of-use assets	(18.00)
	Net cash (used in) investing activities	**(2,640.33)**
C)	**Cash flows from financing activities**	
	Proceeds from borrowings	859.00
	Proceeds from issue of equity shares	1,882.00
	Cost related to issue of own equity instruments	(21.24)
	Finance Cost (Capitalised to Property, plant and equipment)	(26.57)
	Principal elements of lease payments	(20.30)
	Net cash flow from financing activities	**2,672.89**
	Net increase/(decrease) in cash and cash equivalents	**63.20**
	Cash and cash equivalents at the beginning of the period	-
	Cash and cash equivalents at the end of the financial year/period	**63.20**
	Non-cash financing and investing activities	
	-Acquisition of right-of-use assets	265.33

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

	March 31, 2024
Cash and cash equivalents (refer note no 8)	63.20
Balances as per statement of Cash flow	**63.20**

Notes:

i) Statement of Cash Flows has been prepared under the "Indirect Method" in accordance with 'IND AS 7 : Statement of Cash Flows'.

ii) Refer Note 12 for Net debt reconciliation.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 7 Private Limited

Sumit Rathi
Director
DIN : 07727272

Place: Pune
Date : May 2, 2024

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date : May 2, 2024

Statement of changes in equity for the period March 26, 2023 to March 31, 2024.

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

A Equity Share Capital

Particulars	Amount
As at March 26, 2023	**-**
Issue during the period	1,882.00
As at March 31, 2024	**1,882.00**

B Other Equity

Particulars	Retained Earnings	Total
Loss for the period	(3.31)	(3.31)
Other Comprehensive Income	-	-
Total Comprehensive loss for the period	**(3.31)**	**(3.31)**
Cost related to issue of own equity instruments	(21.24)	(21.24)
As at March 31, 2024	**(24.55)**	**(24.55)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 7 Private Limited

Sumit Rathi
Director
DIN : 07727272

Place: Pune
Date : May 2, 2024

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date : May 2, 2024

1. Corporate information

First Energy 7 Private Limited ("the Company") is a private limited company domiciled in India and incorporated on March 26, 2023 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of solar power.

The address of the Company's registered office is 6th Floor, Office No 601, Cello Platina, FC Road, Shivaji Nagar, Pune, Maharashtra – 411005. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U35105PN2023PTC218968.

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied, unless otherwise stated.

2.1 Basis of preparation and measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments);

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

2.3 Summary of material accounting policies

a. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

b. Leases

Company as a lessee

The Company lease asset classes primarily consist of leasehold lands. 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 recognizes a right-of-use 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized 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.

Right-of-use 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. Right of use 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 and amounts expected to be paid under residual value guarantees. There are no variable lease payments.

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 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.

2.4. Summary of other accounting policies

a. 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.

Notes to the financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Financial assets

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 derecognized 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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from Sale of power

Revenue from sale of power is recognised at transaction price and over time for each unit of electricity delivered at the contracted rate. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

d. Property, Plant and Equipment

All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	25	10 to 15
Building	30	3 to 30

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

e. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

f. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

h. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

i. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

j. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

k. Segment reporting

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 been identified as the chief operating decision maker of the Company.

l. Contingent liabilities

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.

m. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

n. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Ind AS 116 – Leases

In determining whether revenue contract (power purchase agreement) with customer especially when entire contractual capacity of one project (solar / wind project) is committed to one customer, management exercises judgement in concluding whether contract contains lease. Management takes into consideration who is responsible for design of the project and who has right to direct the use of solar plant.

ii. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

iii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

v. Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

3. Capital work-in-progress

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

Ageing of capital work-in-progress

Particulars/ Projects	As at March 31, 2024					Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	More than 3 years	
Projects in progress						
15.5 MW Solar Project	2,409.30	-	-	-	2,409.30	265.33
Total	**2,409.30**	**-**	**-**	**-**	**2,409.30**	**265.33**

Capital work-in-progress includes overdue projects amounting to Rs 2,409.30 lakhs. These projects are expected to be completed and capitalised in May 2024.

Capitalization of expenses

During the period, the Company has capitalized the following expenses of revenue nature to the cost of Capital work-in-progress. Consequently, expenses disclosed under the respective notes were net of amounts capitalized by the Company.

Particulars	As at March 31, 2024
Reimbursement of employees expenses	58.56
Interest and reimbursement of Interest expenses*	26.57
Depreciation and reimbursement of depreciation*	4.53
Reimbursement of others expenses	0.48
Total	**90.14**

* Reimbursement of interest and depreciation relates to expenses pertaining to rental property for which right-of-use assets and lease liabilities have been recognised.

3(b) Right- of- use assets

Particulars	Leasehold Land	Total
Gross carrying amount:		
Additions*	265.33	265.33
Deductions	-	-
As at March 31, 2024	265.33	265.33
Accumulated Depreciation		
Changes for the year	1.54	1.54
Deductions	-	-
As at March 31, 2024	**1.54**	**1.54**
Net Block		
As at March 31, 2024	**263.79**	**263.79**

*Includes initial direct costs incurred by the lessee amounting to Rs. 18.00 lakhs

The Company has taken lands on lease which has been accounted in accordance with Ind AS 116-Leases under right of use assets. Refer note 22 for further disclosure on leases.

Notes to the financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

4. Other financial assets (non-current)

Particulars	As at March 31, 2024
Security deposits	0.90
Total	**0.90**

5. Deferred tax asset (net)

Particulars	As at March 31, 2024
Deferred Tax Asset	
Losses available for offsetting against future taxable income	8.93
Lease liabilities	58.01
Others	0.71
	67.65
Deferred Tax Liability	
Right of use of assets	66.39
Others	1.26
	67.65
Total	**-**

The company has tax losses of Rs 3.31 lakhs that's are available for offsetting for future taxable profits. Deferred tax assets have not been recognised in respect of the losses as they may not be used to offset taxable profit elsewhere in the company and there are no other tax planning opportunities or other evidences of recoverability in the near future. If the company was able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs 0.83 lakhs.

Particulars	As at March 31, 2024		
	Expiry date	**Amount**	**Tax impact**
Tax losses	FY 2031-32	3.31	0.83
Total		**3.31**	**0.83**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	As at March 31, 2024
Loss before tax	(3.31)
Income tax rate	25.17%
Expected tax expense / (credit)	(0.83)
Deferred tax assets not recognised on losses	0.83
Others	-
Total tax expense / (credit)	**-**

6. Income tax assets (net)

Particulars	As at March 31, 2024
Opening balance	-
Add: Taxes paid during the period	1.03
Less: Current tax payable for the period	-
Total	**1.03**

7. Other non-current assets

Particulars	As at March 31, 2024
Capital advances	542.83
Total	**542.83**

There were no advances due by directors or other 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 any director is a partner or a member.

8. Cash and cash equivalents

Particulars	As at March 31, 2024
Balance with Banks	
- in current accounts	13.20
- deposits with original maturity of less than three months	50.00
Total	**63.20**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

9. Share capital

a) Authorised share capital

Equity shares of Rs 10 each

Particulars	No. of shares	As at March 31, 2024
As at March 26, 2023	**-**	**-**
Increase during the period	21,000,000	2,100.00
As at March 31, 2024	**21,000,000**	**2,100.00**

b) Issued, Subscribed and Paid up Share Capital

Particulars	No. of shares	As at March 31, 2024
As at March 26, 2023	**-**	**-**
Changes during the period	18,820,000	1,882.00
As at March 31, 2024	**18,820,000**	**1,882.00**

c) Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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.

d) Equity shares held by ultimate holding / holding company

Particulars	As at March 31, 2024	
	No. of shares	**Amount**
Holding company		
First Energy Private Limited	13,394,994	1,339.50
Equity shares of Rs 10 each		

e) Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at March 31, 2024
(i) First Energy Private Limited	
% Holding	71.17%
No. of shares	13,394,994
ii) Excel Industries Limited	
% Holding	28.83%
No. of shares	5,425,000

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

f) Shares held by promoters at the end of the period

Name of Promoter	As at March 31, 2024	
	Number of shares	% of total number of shares
First Energy Private Limited	13,394,994	71.17%

10. Other Equity

Particulars	As at March 31, 2024
Retained Earnings	
Opening Balance	-
Add : Loss for the period	(3.31)
	(3.31)
Cost related to issue of own equity instruments	(21.24)
Total	**(24.55)**

11(a) Lease liabilities (Non-Current)

Particulars	As at March 31, 2024
Lease liabilities (refer note 20)	210.21
Total	**210.21**

11(b) Lease liabilities (Current)

Particulars	As at March 31, 2024
Lease liabilities (refer note 20)	20.30
Total	**20.30**

12. Current borrowing

Particulars	As at March 31, 2024
Unsecured loans	
Loan from holding company	859.00
Total	**859.00**
Aggregate unsecured borrowings	859.00

Ageing of capital work-in-progress

Particulars	Maturity date	Terms of payment	Interest rate	As at March 31, 2024
Loan from holding company	May 22, 2024	Repayment in one or multiple tranches within 180 Days	8.15%	859.00

During the period, the Company has used all the borrowings for the borrowings for specific purpose for which they have been obtained.

Net debt reconciliation

Particulars	As at March 31, 2024
Cash and cash equivalents	63.20
Borrowings	(859.00)
Lease Liabilities	(230.51)
Interest accrued	(22.41)
Net debt	**(1,048.72)**

Particulars	Assets	Liabilities from financing activities		Total
	Cash & cash equivalents	Borrowings	Lease Liabilities	
Net debt as at March 26, 2023				
Additions of lease	-	-	(247.33)	(247.33)
Cash flows	63.20	(859.00)	16.82	(778.98)
Interest expenses	-	(26.57)	(3.48)	(30.05)
Interest paid	-	4.16	3.48	7.64
Net debt as at March 31, 2024	**63.20**	**(881.41)**	**(230.51)**	**(1,048.72)**

13. Trade payables

Particulars	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	11.25
Total outstanding dues of creditors other than micro enterprises and small enterprises	
i) Related parties	3.48
ii) Others	8.39
Total	**23.12**

Ageing schedule for trade payables

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and Small enterprises	11.05	-	0.20	-	-	-	11.25
(ii) Others	11.79	0.08	-	-	-	-	11.87
Total	**22.84**	**0.08**	**0.20**	**-**	**-**	**-**	**23.12**

14. Other financial liabilities (current)

Particulars	As at March 31, 2024
Payable for property plant and equipment	268.31
Interest accrued but not due on loans	22.41
Others	1.11
Total	**291.83**

15. Other current liabilities

Particulars	As at March 31, 2024
Statutory dues	19.14
Total	**19.14**

16. Other Income

Particulars	March 26, 2023 to March 31, 2024
Interest income from financial assets at amortised cost	7.49
Total	**7.49**

Notes to the financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

17. Finance Costs

Particulars	March 26, 2023 to March 31, 2024
Interest expense on financial liabilities measured at amortised cost	26.57
Less: Capitalized during the period	(26.57)
Total	**-**

18. Depreciation Expense

Particulars	March 26, 2023 to March 31, 2024
Depreciation of property, plant and equipment	4.53
Less: Capitalized during the period	(4.53)
Total	**-**

19. Other Expenses

Particulars	March 26, 2023 to March 31, 2024
Rates and taxes	0.69
Legal and Professional Fees	2.28
Auditor's remuneration (Refer note below)	1.77
Corporate overhead allocation	6.05
Miscellaneous expenses	0.01
Total	**10.80**

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current period.

Note: Auditor's remuneration

Particulars	March 26, 2023 to March 31, 2024
Statutory Audit Fees (Including GST)	1.77
Total	**1.77**

20. Loss per share

Particulars	As at March 31, 2024
Net loss attributable to the equity shareholders of the Company	(3.31)
Weighted average number of equity shares of Rs.10/- each	4,826,604
Basic and Diluted Loss per share (in ₹)	**(0.07)**

21. Contingent Liabilities and commitments

Contingent liabilities

Particulars	As at March 31, 2024
Claims against company not acknowledged as debt*	40.00

*Claim against the company not acknowledged as debt to customer contract breach.

Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs 2,694.69 lakhs.

22 Leasing Arrangements

Company as lessee

The Company has taken lands on leases for a tenure of 29 years. There are no variable lease payments and residual value guarantees for these leases.

Carrying amounts of lease liabilities and the movements during the period:

Particulars	As at March 31, 2024
At the beginning of the period	-
Additions	247.33
Accretion of interest	3.48
Payments made	(20.30)
As at end of the year	**230.51**
Current portion of lease liabilities	20.30
Non-current portion of lease liabilities	210.21
Total	**230.51**

Note: Auditor's remuneration

Particulars	March 26, 2023 to March 31, 2024
Depreciation expense of right-of-use assets	1.54
Interest expense on lease liabilities	3.48
Less: Capitalised during the period	(5.02)
Total amount recognised in statement of profit or loss	**-**

The total cash outflow for leases during the period Rs 38.30 Lakhs.

Extension and termination options are included in a number of property leases. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The majority of extension and termination options held are exercisable only by the Company's and not by the respective lessor.

23. Related party disclosures

A Immediate Holding Company

First Energy Private Limited

B Ultimate Holding Company

RDA Holding Private Limited

C Intermediate Holding Company

Thermax Limited (most senior parent that produces consolidated financial statements for public use)

D Key Management Personnel:

1 Mr. Ravi Damaraju - Director (w.e.f.June 22,2022)

2 Mr. Mitish Somani - Director (till April 5, 2024)

3 Mr. Sandeep Mandke - Director (w.e.f. March 30,2023)

4 Mr. Sumit Rathi - Additional Director (w.e.f. April 4, 2024)

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

E Transactions with Related parties:

	As at March 31, 2024
(a) Transactions during the period	
With Holding Company	
Subscription for equity shares	**1,339.50**
Interest on borrowings (capitalised)	**26.57**
Loan taken	**859.00**
Reimbursement of expenses paid (including the capital expenditure)	**89.03**

F Outstanding balances

	As at March 31, 2024
(b) Balances as at the period end	
Holding Company	
Borrowings	**859.00**
Interest accrued but not due	**22.41**
Trade payables	**3.48**

G Terms and conditions for outstanding balances

All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings, refer note 12.

The transactions entered with related parties are at arm's length basis.

24. Fair value measurements

Break up of financial liabilities carried at amortised cost

Particulars	**As at March 31, 2024**
Borrowings	859.00
Lease liabilities	230.51
Trade payables	23.12
Other financial liabilities	291.83
Total	**1,404.46**
Current liabilities	1,194.25
Non current liabilities	210.21
Total	**1,404.46**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particulars	**As at March 31, 2024**
Other financial assets	0.90
Cash and cash equivalents	63.20
Total	**64.10**
Current assets	63.20
Non-current assets	0.90
Total	**64.10**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

25 Financial risk management

The Company's principal financial liabilities, comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents.

Risk is inherent in the Company'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 Company's continuing operations. The Company is exposed to market risk, credit risk and liquidity risk.

The management of the company is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. 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 fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution, 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 does not have any exposure to interest rate changes at the end of the reporting period, currently as there is no borrowings with variable rates.

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.

The company has not entered into any foreign currency transaction during the period and hence not exposed to any foreign currency 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 currently exposed to credit risk from its operating activities from its investing activities, including deposits with banks.

Credit risk from balances with banks and financial institutions is managed by the Parent Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties 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. Identified impairment loss for the assets is immaterial.

The Company's maximum exposure to credit risk for bank balances and deposits as at March 31, 2024 is the carrying amounts as disclosed in notes to accounts.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

Notes to the financial statements for the year ended March 31, 2024
*(All amounts are in Rupees Lakhs, except per share dat*a and unless stated otherwise)

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity profile based on contractual undiscounted payments:

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	859.00	-	-	-
Trade payables	-	23.12	-	-	-
Lease liabilities		20.30	41.62	42.64	609.73
Other financial liabilities	-	291.83	-	-	-

21. Analytical ratios

S. No.	Particulars	Numerator	Denominator	As at March 31, 2024
1	Current Ratio	Current Assets	Current Liabilities	0.05
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.46
3	Return on Equity	Net Profits after taxes before exceptional items	Shareholder's Equity	-0.18%
4	Return on investment	Earning before interest and taxes	Total assets	0.33%
5	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	0.26
6	Return on Capital employed	Earning before interest and taxes	Capital Employed	-0.12%

Capital employed = Tangible Net worth

27. 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

Particulars	As at March 31, 2024
Borrowings	859.00
Less: Cash and cash equivalents	63.20
Net debt	**795.80**
Equity	**1,882.00**
Net Debt to Equity	**0.42**

28. Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz "Producer of power through renewable energy source". Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

29. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Dues to small-scale industrial undertakings have been worked out on the basis of information available with the Management.

Particulars	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	
- Principal amount dues to micro and small enterprises*	11.25
- Interest due thereon	-
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	-
The amount of payment made to the supplier beyond the appointed day during the year	6.03
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	0.02
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.02
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.	0.02

30. Other Statutory Information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current period.

(iv) There is no income surrendered or disclosed as income during the current period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current period.

(viii) Utilisation of borrowed funds and share premium

The Company has 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

Notes to the financial statements for the year ended March 31, 2024

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

The Company has 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.

31 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

The primary accounting software used for maintaining its books of account 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 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.

32 The Company is incorporated on March 26, 2023 . The financial statements are prepared for the period March 26, 2023 to March 31, 2024 as the first financial statement of the Company. Hence, comparative amounts do not exist for the current period.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 8, 2024

For and on behalf of the Board of Directors of
First Energy 7 Private Limited

Sumit Rathi
Director
DIN : 07727272

Place: Pune
Date : May 2, 2024

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date : May 2, 2024

First Energy 8 Private Limited

Board of Directors
Mitish Somani (upto April 05,2024)
Ravi Damaraju
Sandeep Mandke
Sumit Rathi (w.e.f. April 03, 2024)

Registered Office
Unit No. 601, 6th Floor,
Cello Platina, F.C. Road,
Shivajinagar, Pune 411005

Auditors
Price Waterhouse & Co.
Chartered Accountants LLP
7th Floor, Business Bay, Tower A,
Wing -1, Airport Road,
Yerwada, Pune 411006

Bankers
ICICI Bank

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure in presenting the First Annual Report, together with the audited financial statements of your company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	March 31, 2024
Total income	5.96
Profit/(Loss) before finance cost, depreciation, and tax	(21.62)
Finance Cost	-
Profit/(Loss) before depreciation and tax	(21.62)
Depreciation and impairment	-
Profit/(Loss) before tax	(21.62)
Provision for taxation (incl. deferred tax)	-
Items that are not to be reclassified to profit or loss	-
Profit/(Loss) after tax	(21.62)

State of Company's Affairs

The Company was incorporated on August 10, 2023. The Company has launched a Renewable Energy project with wind technology. The plant capacity is 57.40 MW. The plant is in the initial phase of design and development and Wind Turbine Technology has been finalized.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

In a view of accumulated losses, the directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the Company has not transferred any amount to the General Reserve.

Share Capital

During the year there were changes in the capital structure. The Company has increased its authorized share capital from Rs. 1,00,000/- (Rupees One Lakh only) consisting of 10,000 (Ten Thousand) equity shares of Rs. 10/- each to Rs 132,00,00,000 (Rupees One Hundred and Thirty Two Crores) consisting of 13,20,00,000 (Thirteen Crore Twenty Lakhs) Equity Shares of Rs. 10 each. The increase in share capital was approved by the members of the Company in their Extra-Ordinary General Meeting held on January 30, 2024.

The Paid-up Share Capital of the Company is Rs. 65,36,00,000 divided into 6,53,60,000 Equity Shares of Rs.10 each. During the year under review, the Company has made further issue of shares to the existing shareholders on a rights basis. Details of the further issue of shares are as follows:

Date of Issue	Number of Shares	Nominal value per share (Rs.)	Amount paid up (Rs.)
29/01/2024	6,53,50,000	10	65,35,00,000

The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity during the year.

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

The details of loans and investments covered under the provisions of section186 of the Companies Act, 2013, are given in the notes to the Financial Statements. During the year, the Company did not give any guarantee.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors, or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Renewable Energy business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involved the risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also collaborates with competent local infra partners and engages with experienced and capable service partners.

- **Renewable Sources and Grid Availability**

  The risk identified by the Company is lower generation on account of lower radiation, wind speed, and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources and accordingly sizes the plant and the financial models for arriving at the right tariff for the available conditions. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk involved the risk of revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using waterless robotic technology for cleaning modules and therefore manpower dependency is reduced.

Health and Safety

Across all its operational assets, sites and offices, the Company implements policies that covers Health and safety.

The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors & Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ravi Damaraju (DIN: 09554649) retires by rotation and being eligible offers, himself for re-appointment. The proposal for re-appointment forms part of the Notice of the First AGM of the Company.

Board Meetings

Since the Company is incorporated on August 10, 2023, during the year, the Board met three times on September 07, 2023, November 15, 2023, January 29, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

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 judgment 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 or loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Financial Statements

Pursuant to Section 2(41) of the Companies Act, 2013, the financial year of the companies incorporated after the 1st day of January of a year shall end on the 31st day of March of the following year, in respect whereof the financial statement of the company is made up. Accordingly, the Company has prepared the financial statements from the date of incorporation to March 31, 2024 as per Schedule III to the Companies Act, 2013, as amended from time to time.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Conservation of energy and technological absorption

As a part of its "Build-Green" initiatives, the Company has installed solar powered Robots to clean the solar modules at the Opex projects thus ensuring waterless cleaning. In the case of Technology absorption, the Company used higher rated (540 & 550Wp) Monoperc PV models with better efficiency. The structure is designed to withstand the wind load. Robot technology is being adopted for cleaning the modules and this will help to conserve water and reduce soiling losses.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the Company is a subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the roll of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

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

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of the Companies Act, 2013 as of March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing a safe and conducive work environment.

There were no cases pending at the beginning of the year/ filed during the year, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of onetime settlement with any Bank or Financial Institution.

Auditors

Statutory Auditors

The Shareholders in their Extra- Ordinary General Meeting held on November 08, 2023, have appointed M/s Price Waterhouse Chartered Accountants LLP (FRN. 012754N/N500016) as the Statutory Auditors of the Company for FY 2023-24 until the conclusion of 1st Annual General Meeting to be held in FY 2024-25.

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions:

a. High Tension tariffs upward revision was made w.e.f 1st July 2023. This enhances captive savings for captive consumers. This hike shall be effective in every financial year on the 1st of July, based on Consumer Price Index (CPI) based inflation or 6% whichever is lower . This has a positive impact on the business of the Company.

b. Deviation Settlement Mechanism (DSM) has been notified for solar and wind plants in the state. Renewable Energy plants shall schedule day ahead power injection. In case of deviation in prescribed bands, there are commercial implications, effective 1st April 2024. The Company is required to financially provide for the commercial implications towards these payments.

c. The Hon'ble Supreme Court vide order dated 9th Oct 2023, has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, minimum 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work, and support.

For and on behalf of the Board of Directors of

First Energy 8 Private Limited

Ravi Damaraju	**Sumit Rathi**
Director	Director
DIN - 09554649	DIN: 07727272

Pune, May 02, 2024

First Energy 8 Private Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of First Energy 8 Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of First Energy 8 Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period from August 10, 2023 to March 31, 2024, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the period from August 10, 2023 to March 31, 2024.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

Report on other legal and regulatory requirements

10. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis and the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) 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.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 25(viii) to the 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, as disclosed in the Note 25(viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the period.

vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

12. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company. However, the Company has not paid/provided any managerial remuneration during the period.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDH1338
Place : Pune
Date : May 8, 2024

First Energy 8 Private Limited

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of First Energy 8 Private Limited on the financial statements for the period from August 10, 2023 to March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of First Energy 8 Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the period from August 10, 2023 to March 31, 2024.

Management's Responsibility for Internal Financial Controls

2. 2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. 6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDH1338
Place : Pune
Date : May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of First Energy 8 Private Limited on the financial statements as of and for the period from August 10, 2023 to March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company does not have any Property, Plant and Equipment (except Capital work in progress) and accordingly, reporting under clause 3(i)(a)(A), 3(i)(b), 3(i)(c) and 3(i)(d) of the Order is not applicable to the Company.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the period, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the period, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. .(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the period. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. .(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the period by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the period. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 21.62 lakhs in the financial year. The current financial year being the first year of incorporation of the Company, reporting under Clause (xvii) to the extent it relates to the immediately preceding financial year, is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the period and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDH1338
Place : Pune
Date : May 8, 2024

Balance Sheet as at 31.03.2024

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

Particulars	Note No	As at March 31, 2024
Assets		
Non-current assets		
Capital work-in-progress	3	325.25
Deferred tax assets (net)	4	-
Income tax assets (net)	5	0.60
Other non-current assets	6(a)	5,240.25
Total Non-current assets		**5,566.10**
Current assets		
Financial assets		
(a) Cash and cash equivalents	7	1,084.84
(b) Other financial assets	8	5.17
Other current assets	6(b)	12.60
Total current assets		**1,102.61**
Total Assets		**6,668.71**
Equity and liabilities		
Equity		
Equity share capital	9	6,536.00
Other equity	10	(148.31)
Total equity		**6,387.69**
Current liabilities		
Financial liabilities		
(a) Trade payables		
i) total outstanding dues of micro and small enterprises	11	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	12.90
(b) Other financial liabilities	12	267.49
Other current liabilities	13	0.63
Total current liabilities		**281.02**
Total equity and liabilities		**6,668.71**

TThe above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date.

Statement of profit and loss for the period of August 10, 2023 to March 31, 2024

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

Particulars	Note No	August 10, 2023 to March 31, 2024
Income		
Other income	14	5.96
Total Income		**5.96**
Expenses		
Other expenses	15	27.58
Total Expenses		**27.58**
Loss before tax		**(21.62)**
Tax expense		**-**
Loss for the period		**(21.62)**
Other comprehensive income		**-**
Total comprehensive loss for the period		**(21.62)**
Loss per equity share		
Basic & Diluted [nominal value per share ₹ 10]	16	(0.12)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 08, 2024

For and on behalf of the Board of Directors of
First Energy 8 Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place : Pune
Date : May 02, 2024

First Energy 8 Private Limited

Statement of Cash flows For the year period of August 10, 2023 to March 31, 2024

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

	Particulars	August 10, 2023 to March 31, 2024
A)	**Cash flows from operating activities**	
	Loss before tax	(21.62)
	Adjustment for	
	Interest income from financial assets at amortised cost	(5.96)
	Working capital adjustments	
	(Increase) in other financial assets	(0.10)
	(Increase) in other assets	(12.60)
	Increase in trade payables	12.90
	Increase in other financial liabilities	7.27
	Increase in other liabilities	0.63
	Cash used in operations	**(19.48)**
	Income taxes paid	(0.60)
	Net cash used in operating activities	**(20.08)**
B)	**Cash flows from investing activities**	
	Payment for property, plant and equipment	(5,431.97)
	Interest income received	0.89
	Net cash used in investing activities	**(5,431.08)**
C)	**Cash flows from financing activities**	
	Proceeds from issue of equity shares	6,536.00
	Cost related to issue of own equity instruments	-
	Net cash flows from financing activities	**6,536.00**
	Net increase in cash and cash equivalents	**1,084.84**
	Cash and cash equivalents at the beginning of the period	-
	Cash and cash equivalents at the end of the period	**1,084.84**

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

	March 31, 2024
Cash and cash equivalents (refer note no 7)	1,084.84
Balances as per Cash flow statement	**1,084.84**

Notes:

i) Statement of Cash Flows has been prepared under the “Indirect Method” in accordance with ‘IND AS 7 : Statement of Cash Flows’.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 08, 2024

For and on behalf of the Board of Directors of
First Energy 8 Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place : Pune
Date : May 02, 2024

Statement of changes in equity for the period of August 10, 2023 to March 31, 2024

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

A Equity Share Capital

Particulars	Amount
As at August 10, 2023	**-**
Issue during the period	6,536.00
As at March 31, 2024	**6,536.00**

B Other Equity

Particulars	Retained Earnings	Total
As at August 10, 2023	**-**	**-**
Loss for the period	(21.62)	(21.62)
Other comprehensive income for the period	-	-
Total Comprehensive loss for the period	**(21.62)**	**(21.62)**
Cost related to issue of own equity instruments	(126.69)	(126.69)
As at March 31, 2024	**(148.31)**	**(148.31)**

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 08, 2024

For and on behalf of the Board of Directors of
First Energy 8 Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place : Pune
Date : May 02, 2024

Notes to the financial statements for the period August 10, 2023 to March 31, 2024

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

1. Corporate information

First Energy 8 Private Limited ("the Company") is a private limited company domiciled in India and incorporated on August 10, 2023 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of solar power.

The address of the Company's registered office is 6th Floor, Office No 601, Cello Platina, FC Road, Shivaji Nagar, Pune, Maharashtra – 411005. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U35105PN2023PTC223047.

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied, unless otherwise stated.

2.1. Basis of preparation and measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments);

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

2.3 Summary of material accounting policies

a. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

2.4. Summary of other accounting policies

a. 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

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 derecognized 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.

Notes to the financial statements for the period August 10, 2023 to March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from Sale of power

Revenue from sale of power is recognised at transaction price and over time for each unit of electricity delivered at the contracted rate. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

d. Property, Plant and Equipment

All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	25	10 to 15
Building	30	3 to 30

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

e. *Income recognition*

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

f. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

h. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

i. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

j. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

k. Segment reporting

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 been identified as the chief operating decision maker of the Company.

l. Contingent liabilities

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.

m. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

n. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

ii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

Notes to the financial statements for the period August 10, 2023 to March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

3. Capital work-in-progress

Capital work-in-progress comprises cost of renewable energy plant under construction. Total amount of CWIP is Rs 325.25 Lakhs.

Ageing of capital work-in-progress

Particulars/ Projects	As at March 31, 2024				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress					
58.8 MW Wind Project	325.25	-	-	-	325.25
Total	**325.25**	**-**	**-**	**-**	**325.25**

Capital work-in-progress balances pertains to project under construction.

Capitalization of expenses

During the period, the Company has capitalized the following expenses of revenue nature to the cost of Capital work-in-progress. Consequently, expenses disclosed under the respective notes were net of amounts capitalized by the Company.

Particulars	As at March 31, 2024
Reimbursement of employee expenses	298.64
Interest and reimbursement of Interest expenses*	0.02
Depreciation and reimbursement of depreciation*	15.85
Reimbursement of other expenses	2.48
Total	**316.99**

* Reimbursement of interest and depreciation includres expenses pertaining to rental property for which right-of-use assets and lease liabilities have been recognised.

4. Deferred tax asset (net)

The company has tax losses of Rs 21.62 lakhs that are available for offsetting for future taxable profits. Deferred tax assets have not been recognised in respect of the losses as they may not be used to offset taxable profit elsewhere in the company and there are no other tax planning opportunities or other evidences of recoverablity in the near future. If the company was able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs 5.44 lakhs.

Particulars	As at March 31, 2024		
	Expiry date	Amount	Tax impact
Tax losses	FY 2031-32	21.62	5.44
Total		**21.62**	**5.44**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	As at March 31, 2024
Loss before tax	(21.62)
Income tax rate	25.17%
Expected tax expense / (credit)	(5.44)
Deferred tax assets not recognised on losses	5.44
Total tax expense / (credit)	**-**

5. Income tax assets (net)

Particulars	As at March 31, 2024
Opening balance	-
Add: Taxes paid during the period	0.60
Less: Current tax payable for the period	-
Total	**0.60**

6(a) Other non-current assets

Particulars	As at March 31, 2024
Capital advances	5,240.25
Total	**5,240.25**

There were no advances due by directors or other 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 any director is a partner or a member.

6(b) Other current assets

Particulars	As at March 31, 2024
Prepaid expenses	12.60
Total	**12.60**

7. Cash and cash equivalents

Particulars	As at March 31, 2024
Balance with banks	
-in current accounts	14.84
-deposits with original maturity of less than three months	1,070.00
Total	**1,084.84**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

8. Other financial assets (current)

Particulars	As at March 31, 2023
Security deposits	0.10
Interest accrued but not due	5.07
Total	**5.17**

There were no advances due by directors or other 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 any director is a partner or a member.

9. Share capital

a) Authorised share capital

Equity shares of Rs 10 each

Particulars	No. of shares	As at March 31, 2024
As at August 10, 2023	**-**	**-**
Increase during the period	132,000,000	13,200
As at March 31, 2024	**132,000,000**	**13,200**

Notes to the financial statements for the period August 10, 2023 to March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

(b) Issued, Subscribed and Paid up Share Capital

Equity shares of Rs 10 each

Particulars	No. of shares	As at March 31, 2024
As at August 10, 2023	**-**	**-**
Changes during the period	65,360,000	6,536.00
As at March 31, 2024	**65,360,000**	**6,536.00**

c) Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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.

d) Equity shares held by holding company

Particulars	As at March 31, 2024	
	No. of shares	**Amount**
Holding company		
First Energy Private Limited, India	65,359,994	6,536.00
Equity shares of Rs 10 each		

e) Details shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at March 31, 2024
First Energy Private Limited, India	
% Holding	100.00%
No. of shares	65,359,994

f) Shares held by promoters at the end of the period

Name of Promoter	As at March 31, 2024	
	Number of shares	**% of total number of shares**
First Energy Private Limited, India	65,359,994	100.00%

10. Other equity

Particulars	As at March 31, 2024
Retained Earnings	
Opening Balance	-
Add: Loss for the period	(21.62)
	(21.62)
Cost related to issue of own equity instruments	(126.69)
Total	**(148.31)**

11. Trade payables

Particulars	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	
i) Related parties	12.90
ii) Others	-
Total	**12.90**

Ageing of capital work-in-progress

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and Small enterprises	-	-	-	-	-	-	-
(ii) Others	12.90	-	-	-	-	-	12.90
Total	**12.90**	**-**	**-**	**-**	**-**	**-**	**12.90**

12. Other financial liabilities (current)

Particulars	As at March 31, 2024
Payable for property, plant and equipment	133.53
Other payables	133.96
Total	**267.49**

13. Other current liabilities

Particulars	As at March 31, 2024
Statutory dues	0.63
Total	**0.63**

14. Other income

Particulars	August 10, 2023 to March 31, 2024
Interest income from financial assets at amortised cost	5.96
Total	**5.96**

15. Other expenses

Particulars	August 10, 2023 to March 31, 2024
Rates and taxes	0.17
Legal and professional fees	2.61
Auditor's remuneration (Refer note below)	1.77
Corporate overhead allocation	22.40
Miscellenous expenses	0.63
Total	**27.58**

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current and previous year.

Note: Auditor's remuneration

Particulars	August 10, 2023 to March 31, 2024
Statutory audit fees (Including GST)	1.77
Total	**1.77**

16. Loss per share

Particulars	August 10, 2023 to March 31, 2024
Net loss attributable to the equity shareholders of the Company	(21.62)
Weighted average number of equity shares of Rs.10/- each	17,807,447
Basic and Diluted Loss per share (in Rs)	**(0.12)**

17. Contingent Liabilities

There are no liabilities of contingent nature.

Capital Commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 23,676.75 lakhs.

18. Related party disclosures

A Immediate Holding Company

First Energy Private Limited

B Ultimate Holding Company

RDA Holding Private Limited

C Intermediate Holding Company

Thermax Limited (most senior parent that produces consolidated financial statements for public use)

D Key Management Personnel:

1 Mr. Ravi Damaraju - Director

2 Mr. Mitish Somani - Director (till April 5, 2024)

3 Mr. Sandeep Mandke - Director (w.e.f. August 08, 2023)

4 Mr. Sumit Rathi- Additional Director (w.e.f. April 03, 2024)

E Transactions with Related parties:

	August 10, 2023 to March 31, 2024
(a) Transactions during the period	
With Immediate Holding Company	
Subscription for equity shares by holding company	**6,536.00**
Reimbursement of expenses paid (including capital nature)	**466.07**

F Outstanding balances

	As at March 31, 2024
(b) Balances as at the period end	
With Immediate Holding Company	
Trade payables	**12.90**
Payable for property, plant & equipment	**123.87**
Other Payable	**126.69**

G Terms and conditions for outstanding balances

All outstanding balances are unsecured, interest free except for borrowings and payable in cash.

The transactions entered with related parties are at arm's length basis.

19. Fair value measurements

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2024
Trade payables	12.90
Other financial liabilities	267.49
Total	**280.39**
Current liabilities	280.39
Non current liabilities	-
Total	**280.39**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particulars	As at March 31, 2024
Cash and cash equivalents	1,084.84
Other financial assets	5.17
Total	**1,090.01**
Current assets	1,090.01
Non-current assets	-
Total	**1,090.01**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

20. Financial risk management

The Company's principal financial liabilities, comprises trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents and other receivables

Risk is inherent in the Company'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 Company's continuing operations. The Company is exposed to market risk, credit risk and liquidity risk.

The management of company is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles.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 fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, 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

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

Notes to the financial statements for the period August 10, 2023 to March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

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.

The company has not entered into any foreign currency transaction during the period and hence not exposed to any foreign currency 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 investing activities, including deposits with banks.

Credit risk from balances with banks and financial institutions is managed by the Parent Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties 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 is the carrying amounts as disclosed in notes to accounts.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity profile based on contractual undiscounted payments:

For the period ended March 31, 2023

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Trade Payables	-	12.90	-	-	-
Other financial liabilities	-	267.49	-	-	-

21. Analytical ratios

S. No.	Particulars	Numerator	Denominator	As at March 31, 2024
1	Current Ratio	Current Assets	Current Liabilities	3.92
2	Return on Equity	Net Profits after taxes	Shareholder's Equity	-0.34%
3	Return on investment	Earning before interest and taxes	Total assets	-0.32%
4	Trade payables turnover Ratio	Net Credit Purchases	Trade Payables	2.14
5	Return on Capital employed	Earning before interest and taxes	Capital Employed	-0.34%

Capital employed = Tangible Net worth + total debt

22. 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

There are no borrowings outstanding as on period end.

23. Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz "Producer of power through renewable energy source". Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

24. Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Dues to small-scale industrial undertakings have been worked out on the basis of information available with the Management.

Particulars	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	
- Principal amount dues to micro and small enterprises	-
- Interest due thereon	-
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.	-
The amount of payment made to the supplier beyond the appointed day during the year	0.19
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	0*
The amount of interest accrued and remaining unpaid at the end of each accounting year	0*
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.	0*

*Amount is below the rounding off norm adopted by the Company

Notes to the financial statements for the period August 10, 2023 to March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

25. Other Statutory Information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current period.

(iv) There is no income surrendered or disclosed as income during the current period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current period.

(viii) Utilisation of borrowed funds and share premium

The Company has 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

The Company has 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.

26 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

The primary accounting software used for maintaining its books of account 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 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.

27 The Company is incorporated on August 10, 2023. The financial statements are prepared for the period August 10, 2023 to March 31, 2024 as the first financial statement of the Company. Hence, comparative figures do not exist for the current period.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 08, 2024

For and on behalf of the Board of Directors of
First Energy 8 Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place : Pune
Date : May 02, 2024

JALANSAR WIND ENERGY PRIVATE LIMITED

Board of Directors
Ravi Damaraju
Mitish Somani (Upto April 5, 2024)
Sumit Rathi (w.e.f April 3, 2024)
Sandeep Mandke (Upto May 2, 2024)
Chandrasekar Sureshnathan (w.e.f May 2, 2024)

Corporate Office
Unit No. 601, 6th Floor,
Cello Platina, Fergusson College Road,
Model Colony, Shivajinagar, Pune 411005

Auditors
Price Waterhouse & Co.
Chartered Accountants LLP
7th Floor, Business Bay, Tower A,
Wing -1, Airport Road,
Yerwada, Pune 411006

Bankers
Yes Bank Limited

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure to present the Seventh Annual Report, together with the audited financial statements of your Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total income	100.53	38.49
Profit before finance cost, depreciation, and tax	80.26	20.79
Finance Cost	58.83	14.33
Profit before depreciation and tax	21.43	6.46
Depreciation and impairment	31.09	7.65
Profit/(Loss) before tax	(9.66)	(1.19)
Provision for taxation (incl. deferred tax)	(1.51)	1.51
Items that are not to be reclassified to profit or loss	-	-
Profit/(Loss) after tax	(8.15)	(2.70)

State of Company's Affairs

During the year, the company has commissioned a Renewable Energy Project with a Solar capacity of 1.1 MW/ 1.6 MWp in December 2023 and it has been put in operation since then.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

The directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the company has not transferred any amount to the General Reserve.

Share Capital

During the year there were no changes in the capital structure of the company. The Paid-up Share Capital of the Company is Rs. 2,21,50,000 divided into 22,15,000 Equity Shares of Rs.10 each. The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity during the year.

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

During the year under review, the Company did not make any investment nor did the company give any loan or guarantee pursuant to the provisions of Section 186 of the Companies Act, 2013.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Solar business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involves risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also contracts competent local infra partners having experience and capability.

- **Renewable Sources and Grid Availability**

  The major risk identified by the Company is generation loss due to lower radiation, wind speed and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk involved the risk of revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using water cleaning modules at regular frequency.

Health and Safety

Across all its operational assets, sites and offices, the Company implements policies that covers Health and safety. The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors

During the year, there were no change in the Director's of the Company.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ravi Damaraju (DIN: 09554649) retires by rotation and being eligible offers, himself for re-appointment. The proposal of re-appointment forms part of the Notice of the Seventh AGM of the Company.

Board Meetings

The Board met four times during the year under review on May 9, 2023, September 4, 2023, December 29, 2023 and March 15, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs during the year.

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 judgment 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 and loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Conservation of energy and technological absorption

The Company is in the business of renewable energy. The Company aims to conserve the environment by bringing about significant change in methods of using energy through the application of Solar, Wind, and associated Renewable energy generation sources for commercial & industrial customers.

In the case of Technology absorption, the Company used higher rated (>540Wp) Monoperc PV modules with better efficiency, a structure designed to withstand the wind load and string type Solar Inverters designed for outdoor installation.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the company is a Subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the rolls of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

There are no significant or material orders passed by the Regulators / Courts.

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of the Companies Act, 2013 as of March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing employees with a safe and conducive work environment. No cases were pending at the beginning of the year/ filed during the year, according to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of onetime settlement with any Bank or Financial Institution.

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions:

a. Via green open access regulations, captive demand in the state is set to expand. Open access is now allowed for consumers with smaller connected loads (> 100kW) but capped at resultant power flow. This has a positive impact on the business of the Company.

b. Maharashtra Energy Development Authority (MEDA) notified the MH Green Hydrogen Policy 2023 defining incentives available for Renewable Energy projects developed in the state, for supply to Green Hydrogen projects. This has a positive impact on the business of the Company.

c. The Hon'ble Supreme Court vide order dated 9th October, 2023 has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, minimum 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Auditors

M/s Price Waterhouse Chartered Accountants LLP, (Firm Registration Number. 012754N/N500016) were appointed as Statutory Auditors of the Company for a period of Five year from the conclusion of the 6th Annual General Meeting (AGM) till the conclusion of the 11th AGM. The Auditors' Report for FY 2023-24 does not contain any qualification, reservation, or adverse remark.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work, and support.

For and on behalf of the Board of Directors of

Jalansar Wind Energy Private Limited

Sandeep Mandke	**Ravi Damaraju**
Director	Director
DIN: 09619581	DIN - 09554649

Pune, May 02, 2024

JALANSAR WIND ENERGY PRIVATE LIMITED

Independent auditor's report

To the Members of Jalansar Wind Energy Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Jalansar Wind Energy Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information. We have audited the accompanying financial statements of Jalansar Wind Energy Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

Report on other legal and regulatory requirements

10. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books, except for the back-up of the certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India and the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) 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.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

        ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

        iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 32 (viii) to the 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, as disclosed in the Note 32 (viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the year.

        vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn't have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

12. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDF4761
Place : Pune
Date : May 8, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of Jalansar Wind Energy Private Limited on the financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Jalansar Wind Energy Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDF4761
Place : Pune
Date : May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Jalansar Wind Energy Private Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, income tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 12 to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has utilised funds raised on short-term basis aggregating to Rs. 1.03 lakhs for long-term purposes.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section

177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDF4761
Place : Pune
Date : May 8, 2024

Balance Sheet as at March 31, 2024

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

Particular	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	769.83	800.92
Financial assets			
(a) Other financial assets	4(a)	0.71	0.71
Deferred tax assets (net)	5	-	-
Total non-current assets		**770.54**	**801.63**
Current assets			
Financial assets			
(a) Trade receivables	6	8.08	16.53
(b) Cash and cash equivalents	7(a)	7.93	21.05
(c) Bank balance other than (b) above	7(b)	23.47	-
(d) Other financial assets	4(b)	0.32	11.83
Income tax assets	8	0.13	-
Other current assets	9	2.10	1.37
Total current assets		**42.03**	**50.78**
Total Assets		**812.57**	852.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	221.50	221.50
Other equity	11	(27.74)	(19.59)
Total Equity		**193.76**	**201.91**
Non-current liabilities			
Financial liabilities			
(a) Borrowings	12(a)	507.59	543.73
Deferred tax liabilities (net)	5	-	1.51
Contract Liabilities	13(a)	31.15	13.41
Total non current liabilities		**538.74**	**558.65**
Current liabilities			
Financial liabilities			
(a) Borrowings	12(b)	57.01	46.04
(b) Trade and other payables			
i) total outstanding dues of micro enterprises and small enterprises	14	1.64	0.43
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	3.84	9.73
c) Other financial liabilities	15	10.37	25.83
Contract liabilities	13(b)	7.21	7.21
Other current liabilities	16	-	2.61
Total current liabilities		**80.07**	**91.85**
Total Equity and Liabilities		**812.57**	**852.41**

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

Statement of Profit and Loss for the year ended March 31, 2024

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

Particular	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	17	93.52	26.20
Other income	18	7.01	12.29
Total Income		**100.53**	**38.49**
Expenses			
Finance costs	19	58.83	14.33
Depreciation expense	20	31.09	7.65
Other expenses	21	20.27	17.70
Total Expenses		**110.19**	**39.68**
Loss before tax		**(9.66)**	**(1.19)**
Tax expense			
Current tax		-	-
Deferred tax	5	(1.51)	1.51
Total tax expense		**(1.51)**	**1.51**
Loss for the year		**(8.15)**	**(2.70)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the year		**(8.15)**	**(2.70)**
Loss per equity share			
Basic and Diluted [nominal value per share ₹ 10]	22	(0.37)	(0.22)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of Jalansar Wind Energy Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date: May 2, 2024

JALANSAR WIND ENERGY PRIVATE LIMITED

Cash flow statement for the year ended March 31, 2024

(All amounts are in Rupees Lakhs , except stated otherwise)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A)	**Cash flows from operating activities**		
	Loss before tax	(9.66)	(1.19)
	Adjustments for		
	Depreciation expense	31.09	7.65
	Finance cost	58.83	14.33
	Interest income from financial assets at amortised cost	(1.44)	-
	Liabilities no longer required written back	-	0.22
	Working capital adjustments		
	(Increase)/ decrease in trade receivables	8.45	(16.53)
	(Increase)/ decrease in other financial assets	11.83	(12.54)
	(Increase) in other assets	(0.73)	(1.37)
	Increase/ (decrease) in trade payables	(4.68)	10.16
	Increase in contract and other liabilities	13.68	23.19
	Increase in other financial liabilities	-	(0.80)
	Cash generated from operations	**107.37**	**23.12**
	Direct taxes paid	(0.13)	-
	Net cash generated from operating activities	**107.24**	**23.12**
B)	**Cash flows from investing activities**		
	Payment for property, plant and equipment	(16.39)	(785.80)
	Fixed deposits placed with Banks	(23.47)	-
	Interest received	1.12	-
	Net cash flows used in investing activities	**(38.74)**	**(785.80)**
C)	**Cash flows from financing activities**		
	Proceeds from borrowings	33.00	589.49
	Repayment of borrowings	(54.94)	-
	Transaction cost for availing borrowing	(3.23)	(13.48)
	Proceeds from issue of Equity shares	-	220.50
	Cost related to issue of own equity instruments	-	(3.62)
	Interest paid	(56.45)	(9.53)
	Interest paid and capitalised in Property, plant and equipment	-	(1.75)
	Net cash flows from/ (used in) financing activities	**(81.62)**	**781.61**
	Net increase/(decrease) in cash and cash equivalents	**(13.12)**	**18.93**
	Cash and cash equivalents at the beginning of the financial year	21.05	2.12
	Cash and cash equivalents at the end of the financial year	**7.93**	**21.05**

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents [refer note 7(a)]	7.93	21.05
Balances as per statement Cash flows	**7.93**	**21.05**

Notes:

i) Statement of Cash Flows has been prepared under the “Indirect Method” in accordance with ‘IND AS 7 : Statement of Cash Flows’.
ii) Refer Note 12(b) for Net debt reconciliation

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
Jalansar Wind Energy Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date: May 2, 2024

Statement of changes in equity for the year ended March 31, 2024

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

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
As at April 1, 2022	**1.00**
Issued during the year	220.50
As at March 31, 2023	**221.50**
Issued during the year	-
As at March 31, 2024	**221.50**

B. Other Equity

Particulars	Retained Earnings	Total
As at April 1, 2022	**(13.27)**	**(13.27)**
Loss for the year	(2.70)	(2.70)
Other comprehensive income for the year	-	-
Total Comprehensive Loss for the year	**(2.70)**	**(2.70)**
Cost related to issue of own equity instruments	(3.62)	(3.62)
As at March 31, 2023	**(19.59)**	**(19.59)**
Loss for the year	(8.15)	(8.15)
Other comprehensive income for the year	-	-
Total Comprehensive Loss for the year	**(8.15)**	**(8.15)**
As at March 31, 2024	**(27.74)**	**(27.74)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
Jalansar Wind Energy Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date: May 2, 2024

JALANSAR WIND ENERGY PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2024

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

1 Corporate information

Jalansar Wind Energy Private Limited ("the Company") is a private limited company domiciled in India and incorporated on March 27, 2017 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of solar power by using solar cells including developing, building and solar power projects.

The address of the Company's registered office is Unit No 601, 6th floor, Cello Platina, Fergusson road, Model Colony, Shivaji Nagar, Pune, Maharashtra, India 411005. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U40300PN2017PTC219725

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and measurement

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

(b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments);

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Summary of material accounting policies

a. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from sale of power

Revenue from sale of power is recognised at transaction price and over time for 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. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

At the end of each reporting period, the Company updates the estimated transaction price to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. The Company accounts for such changes in the transaction price (including claims). Consideration / claim payable to a customer includes cash amounts that an entity pays to the customer. The Company accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. The consideration payable to a customer includes a variable amount.

Trade receivables: 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). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	10 to 25	10 to 15

c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

2.4. Summary of other accounting policies

a. 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

All financial assets (excluding trade receivables which do not contain a significant financing component) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Revenue from Contracts with customers

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 derecognized 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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Property, Plant and Equipment

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

d. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

g. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

h. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

i. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

j. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

k. Segment reporting

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 been identified as the chief operating decision maker of the Company.

l. Contingent liabilities

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.

m. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

n. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

ii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment and intangible assets

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

3 Property, Plant and Equipment and Right of Use Assets

Particulars	Land Freehold	Solar Power Plant	Right of Use of asset - Land	Total
Gross Block				
As at April 1, 2022	-	-	4.30	-
Additions	25.93	782.64	-	808.57
Deletion	-	-	4.30	-
As at March 31, 2023	**25.93**	**782.64**	**-**	**808.57**
Additions	-	-	-	-
Deletion	**-**	**-**	**-**	**-**
As at March 31, 2024	**25.93**	**782.64**	**-**	**808.57**
Depreciation				
As at April 1, 2022	-	-	0.15	0.15
For the year	-	7.65	-	7.65
Deductions/Amortization	-	-	0.15	0.15
As at March 31, 2023	**-**	**7.65**	**-**	**7.65**
For the year	-	31.09	-	31.09
Deductions/Amortization	-	-	-	-
As at March 31, 2024	**-**	**38.74**	**-**	**38.74**
Net Block				
As at March 31, 2023	**25.93**	**774.99**	**-**	**800.92**
As at March 31, 2024	**25.93**	**743.90**	**-**	**769.83**

See note 12 for information on property, plant and equipment pledged as security by the Company.

Notes to financial statements for the year ended March 31, 2024
*(All amounts are in Rupees Lakhs, except per share dat*a and unless stated otherwise)

Capitalization of expenses

During the previous year, the Company has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment. Consequently, expenses disclosed under the respective notes were net of amounts capitalized by the Company.

Particulars	As at March 31, 2023
Reimbursement of salaries and wages	10.11
Reimbursement of other expenses	1.62
Finance costs	1.75
Total	**13.48**

4(a): Other Financial Assets (non-current)

Particular	As at March 31, 2024	As at March 31, 2023
Security deposits	0.71	0.71
Total	**0.71**	**0.71**

4(b): Other Financial Assets (current)

Particular	As at March 31, 2024	As at March 31, 2023
Interest accrued on fixed deposit	0.32	-
Other receivables	-	11.83
Total	**0.32**	**11.83**

5. Deferred Tax (assets)/Liabilities (net)

Particular	As at March 31, 2024	As at March 31, 2023
Deferred Tax Asset		
Losses available for offsetting against future taxable income	80.97	33.30
Others	10.25	0.23
Total	**91.22**	**33.53**
Less: Deferred Tax Liability		
Depreciation on property, plant and equipment	91.22	35.04
Total	**91.22**	**35.04**
Total	**-**	**1.51**

The Company has tax losses of Rs. 28.06 lakhs (March 31, 2023: Rs. Nil) that are available for offsetting for future taxable profits. 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 Company and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company was able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs. 7.06 lakhs (March 31, 2023: Nil).

Particulars	Expiry Date	As at March 31 2024		As at March 31 2023	
		Amount	Tax Impact	Amount	Tax Impact
Unabsorbed depreciation	No expiry period	28.06	7.06	-	
Total		**28.06**	**7.06**	**-**	**-**

The income tax expense consists of following:

Particular	As at March 31, 2024	As at March 31, 2023
Current tax expense	-	-
Deferred tax (benefit) / charge	(1.51)	1.51
	(1.51)	**1.51**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particular	As at March 31, 2024	As at March 31, 2023
Loss before tax	(9.66)	(1.19)
Income tax rate	25.17%	25.17%
Expected tax expense /(credit)	(2.43)	(0.30)
Deferred tax assets not recognised on losses	0.92	-
Others	-	1.81
Total tax expense	**(1.51)**	**1.51**

6. Trade Receivables

Particular	As at March 31, 2024	As at March 31, 2023
Trade Receivables	**8.08**	**16.53**
- Unbilled*	8.08	8.47
- Billed	-	8.06
Break-up for security details:		
Secured considered good	-	-
Unsecured considered good	8.08	16.53
Trade receivables which have a significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
Less: impairment allowance	-	-
Total	**8.08**	**16.53**

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

*The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

Trade Receivables ageing

As at March 31, 2024

Particulars	Unbilled	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	
Undisputed Trade Receivables- considered good	8.08	-	-	-	-	-	-	8.08
Total	**8.08**	**-**	**-**	**-**	**-**	**-**	**-**	**8.08**

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

As at March 31, 2023

Particulars	Unbilled	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	
Undisputed Trade Receivables- considered good	8.47	-	8.06	-	-	-	-	16.53
Total	**8.47**		**8.06**	**-**	**-**	**-**	**-**	**16.53**

7(a) Cash and Cash Equivalents

Particular	As at March 31, 2024	As at March 31, 2023
Balance with Bank		
- in current accounts	7.93	21.05
Total	**7.93**	**21.05**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

7(b) Other Bank Balances

Particular	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than three months but less than twelve months	23.47	-
Total	**23.47**	**-**

8. Income Tax Assets (net)

Particular	As at March 31, 2024	As at March 31, 2023
Opening Balance	-	-
Add: Taxes paid during the year/ period	0.13	-
Less: Current tax payable for the year/ period	-	-
Total	**0.13**	**-**

9. Other Current Assets

Particular	As at March 31, 2024	As at March 31, 2023
Receivable from Govt authorities	0.13	-
Prepaid expenses	1.97	0.97
Others	-	0.40
Total	**2.10**	**1.37**

10 Share Capital

a. Authorised Share Capital

Equity shares of ₹ 10 each

Particular	No. of Shares	Amount
As at April 1, 2022	**10,000**	**1.00**
Increase during the year	3,340,000	334.00
As at March 31, 2023	**3,350,000**	**335.00**
Increase during the year	-	-
As at March 31, 2024	**3,350,000**	**335.00**

b. Issued, Subscribed and Paid up Share Capital

Equity shares of ₹ 10 each

Particular	No. of Shares	Amount
As at April 1, 2022	**10,000**	**1.00**
Changes during the year	2,205,000	220.50
As at March 31, 2023	**2,215,000**	**221.50**
Changes during the year	-	-
As at March 31, 2024	**2,215,000**	**221.50**

c. Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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.

d. Equity shares held by holding company

Name of Company	As at March 31 2024		As at March 31 2023	
	No. of shares	Amount	No. of shares	Amount
Holding company				
First Energy Private Limited	1,638,994	163.90	1,638,994.00	163.90
Equity shares of ₹ 10 each				

e. Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at March 31, 2024	As at March 31, 2023
(i) First Energy Private Limited, India		
% Holding	74.00%	74.00%
No. of shares	1,638,994	1,638,994
(ii) Indoco Remedies Limited		
% Holding	26.00%	26.00%
No. of shares	576,000	576,000

f. Shares held by promoters at the end of the year

Name of Promoter	As at March 31, 2024		As at March 31, 2023		% of change during the year
	Number of shares	% of total number of shares	Number of shares	% of total number of shares	
First Energy Private Limited	1,638,994	74.00%	1,638,994	74.00%	-

g. There were no buy back of shares/issue of shares for consideration other than cash during the period of five years immediately proceding the reporting date.

11. Other Equity

Particular	As at March 31, 2024	As at March 31, 2023
Retained Earnings		
Opening Balance	(19.59)	(13.27)
Add: Loss for the year	(8.15)	(2.70)
	(27.74)	**(15.97)**
Cost related to issue of own equity instruments	-	(3.62)
Total	**(27.74)**	**(19.59)**

Notes to financial statements for the year ended March 31, 2024

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

12(a) Borrowings (non-current)

Particular	As at March 31, 2024	As at March 31, 2023
Secured loans from Bank		
Indian rupee loans from banks*	544.60	577.95
Less: Current maturities of long-term debt (included in current borrowings)	37.01	34.22
Total	**507.59**	**543.73**

* After considering unamortised expense of Rs. 17.77 lakhs (PY Rs 14.48 lakhs) as at March 31, 2024

Aggregate secured borrowings	507.59	543.73
Aggregate unsecured borrowings	-	-

Indian rupee loans from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the project (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the Company held by the holding company.

Particulars	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from Yes Bank	March 31, 2042	76 structured quarterly Installment start from June 30, 2023	9.09% p.a.(Interest rate 3M MCLR)	544.60	577.95

12(b) Borrowings (current)

Particular	As at March 31, 2024	As at March 31, 2023
Secured loans		
Current maturities of long-term debt	37.01	34.22
Unsecured loans		
From holding company	20.00	-
From others	-	11.82
Total	**57.01**	**46.04**
Aggregate secured borrowings	37.01	34.22
Aggregate unsecured borrowings	20.00	11.82

Particular	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from others	Payable on Demand	Single payment at end of term	9.00%	-	11.82
Loan from holding company	September 30, 2024	Single payment at end of the term	8.45%	20.00	-

As at March 31, 2024, the Company has not complied with some of the covenants under loan agreements in respect of secured borrowings from bank of Rs. 544.60 lakhs. The Company has received confirmation from the Bank that the said borrowing will not be recalled as a consequence of such breach.

Net debt reconciliation

Particular	As at March 31, 2024	As at March 31, 2023
Borrowings	(564.60)	(589.77)
Other Bank Balance	23.47	-
Interest accrued	(5.73)	(4.80)
Cash and cash equivalents	7.93	21.05
Net debt	**(538.93)**	**(573.52)**

Particular	Other assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Other Bank Balance	Borrowings	Lease Liabilities	
Net debt as at March 31, 2022	**2.12**	**-**	**(13.76)**	**(4.28)**	**(15.92)**
Cash flows	18.93	-	(576.01)	-	(557.08)
Borrowing cost capitalised	-	-	(1.75)	-	(1.75)
Deletions of lease	-	-	-	4.28	4.28
Interest Expenses	-	-	(14.33)	-	(14.33)
Interest paid	-	-	11.28	-	11.28
Net debt as at March 31, 2023	**21.05**	**-**	**(594.57)**	**-**	**(573.52)**
Cash flows	(13.12)	23.47	25.17	-	35.52
Interest Expenses	-	-	(57.38)	-	(57.38)
Interest paid	-	-	56.45	-	56.45
Net debt as at March 31, 2024	**7.93**	**23.47**	**(570.33)**	**23.47**	**(538.93)**

13(a): Contract liabilities (Non-current)

Particular	As at March 31, 2024	As at March 31, 2023
Unearned revenue	31.15	13.41
Total	**31.15**	**13.41**

13(b): Contract liabilities (Current)

Particular	As at March 31, 2024	As at March 31, 2023
Unearned revenue	7.21	7.21
Total	**7.21**	**7.21**

14: Trade payables

Particular	As at March 31, 2024	As at March 31, 2023
Undisputed		
Total outstanding dues of micro enterprises and small enterprises	1.64	0.43
Total dues of creditors other than micro enterprises and small enterprises		
i) Related parties	1.19	6.12
ii) Others	2.65	3.61
Total	**5.48**	**10.16**

Ageing schedule for trade payable

As at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	1.60	-	-	0.04	-	-	1.64
(ii) Others	3.02	0.34	0.48	-	-	-	3.84
Total	**4.62**	**0.34**	**0.48**	**0.04**	**-**	**-**	**5.48**

As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for the following period from due date of payments: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables:							
(i) Micro and small enterprises	0.43	-	-	-	-	-	0.43
(ii) Others	9.73	-	-	-	-	-	9.73
Total	**10.16**	**-**	**-**	**-**	**-**	**-**	**10.16**

15 Other financial liabilities (current)

Particular	As at March 31, 2024	As at March 31, 2023
Payable for Property, plant and equipment	4.64	21.03
Interest accrued but not due on loans	5.73	4.80
Total	**10.37**	**25.83**

16 Other Current Liabilities

Particular	As at March 31, 2024	As at March 31, 2023
Statutory dues	-	2.61
Total	**-**	**2.61**

17 Revenue from operations

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Power Supply	93.52	26.20
Total	**93.52**	**26.20**

Disclosure pursuant to IND AS 115: Revenue from contracts with customers

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Revenue by category of contracts:		
Over a period of time basis	93.52	26.20
At a point-in-time basis	-	-
Total revenue from contracts with customers	**93.52**	**26.20**
ii) Revenue by geographical market:		
Within India	93.52	26.20
Outside India	-	-
Total revenue from contracts with customers	**93.52**	**26.20**

iii) Contract balances

The following table provides information about contract balances from contracts with customers as at the reporting date:

Particular	As at March 31, 2024	As at March 31, 2023
Contract Liabilities (Refer note 13(a) and 13(b))	38.36	20.62

The contract liabilities relate to unearned revenue 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.

iv) Reconciliation between revenue recognised in Statement of profit and loss and contract price

Particular	As at March 31, 2024	As at March 31, 2023
Contract price	86.16	24.39
Adjustments for:		
Significant Financing Component	7.36	1.81
Total Revenue recognised	**93.52**	**26.20**

v) Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

Unearned revenue	7.36	1.81

vi) The Company applies practical expedient included in para 121 of Ind AS 115 and does not disclose information about its remaining performance obligations for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed till date.

18 Other income

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income from financial assets at amortised cost	1.44	-
Net reversal of corporate overhead allocation*	3.01	-
Miscellaneous income	2.56	12.29
Total	**7.01**	**12.29**

*During the year, the Holding Company has revised the method of charging common expenditure to its subsidiaries including for the amount already charged during the previous year ended March 31, 2023. This resulted in savings of Rs. 4.19 lakhs. Amount disclosed is after net off expenses charged during the year.

19 Finance costs

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses on financial liabilities measured at amortised cost	57.38	15.16
Other finance charges	1.45	0.92
Less: Capitalised during the year	-	(1.75)
Total	**58.83**	**14.33**

20 Depreciation Expense

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment	31.09	7.65
Total	**31.09**	**7.65**

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

21 Other expenses

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Operation & Maintenance Charges	9.32	1.77
Electricity expenses	2.65	0.38
Rates and taxes	0.97	2.98
Insurance	1.29	0.28
Travelling and conveyance	0.27	0.88
Communication expenses	0.02	-
Printing and stationery	0.03	0.02
Professional charges	3.92	2.39
Auditor's remuneration (Refer note below)	0.59	1.77
Corporate overhead allocation	-	5.08
Miscellaneous expenses	1.21	2.15
Total	**20.27**	**17.70**

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current and previous year.

Note: Auditor's remuneration

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory Audit Fees (including GST)	0.59	1.77
Total	**0.59**	**1.77**

22 Loss per share

Particular	As at March 31, 2024	As at March 31, 2023
Net Loss attributable to the Equity shareholders of the Company	(8.15)	(2.70)
Weighted average number of Equity shares of Rs.10/- each	2,215,000	1,257,014
Basic and Diluted Loss per share	**(0.37)**	**(0.22)**

23 Contingent liabilities

There are no liabilities of contingent nature.

24 Other commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Nil, (March 31, 2023 - Nil).

25 Related party disclosures

A Holding Company

First Energy Private Limited (w.e.f. June 23, 2022)

Sarjan Realities Private Limited (Till June 22, 2022)

B Ultimate Holding Company

RDA Holding Private Limited (w.e.f. June 23, 2022)

C Intermediate Holding Company

Thermax Limited (most senior parent that produces consolidated financial statements for public use) (w.e.f. June 23, 2022)

D Entities under common control with whom there have been transactions during the year:

First Energy 2 Private Limited (w.e.f. June 23, 2022)

Kanakal Wind Energy Private Limited (w.e.f. June 23, 2022)

Tanti Holdings Private Limited (till June 22, 2022)

E Key Management Personnel:

1 Mr. Ravi Damaraju - Director (w.e.f. June 22, 2022)
2 Mr. Mitish Somani - Director (w.e.f. June 22, 2022 till April 5, 2024)
3 Mr.Sandeep Mandke - Director (w.e.f. March 30, 2023)
4 Mr.Harpreet Singh - Director (w.e.f. June 22 to March 31, 2023)
5 Mr.Nilesh Vallabhdas Dhanani - Director (till June 22, 2022)
6 Mr.Abhinav Singh - Director (till June 22, 2022)
7 Mr. Sumit Rathi - Director (w.e.f.April 4, 2024)

F Transactions with Related parties:

Particular	March 31, 2024	March 31, 2023
(a) Transactions during the year		
With Immediate Holding Company		
First Energy Private Limited		
Subscription for equity shares by holding company	-	163.90
Reimbursement of expenses paid	-	568.14
Reversal of Corporate overheads (net)	3.01	-
Loan Taken	26.00	-
Loan Repaid	6.00	-
Interest charged	1.51	-
Entities under common control		
First Energy 2 Private Limited		
Reimbursement of expenses paid	2.85	1.04
Kanakal Wind Energy Private Limited		
Reimbursement of expenses	0.07	-

G Outstanding balances

Particular	March 31, 2024	March 31, 2023
Immediate Holding Company		
First Energy Private Limited		
Payable for Property, plant and equipment	4.63	4.37
Trade Payables	1.17	5.08
Borrowings	20.00	-
Interest accrued but not due	1.34	-
Sarjan Realities Private Limited		
Unsecured Borrowings	-	3.68
Entities under common control		
First Energy 2 Private Limited		
Trade Payables	0.01	1.04
Tanti Holdings Private Limited		
Unsecured borrowings	-	5.24
Kanakal Wind Energy Private Limited		
Trade Payables	0.01	-

H Terms and conditions

All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings, refer note 12.

Transactions entered with related parties are at arm's length basis.

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

26 Fair value measurements

Break up of financial liabilities carried at amortised cost

Particular	As at March 31, 2024	As at March 31, 2023
Trade payables	5.48	10.16
Other liabilities	10.37	25.83
Borrowings	564.60	589.77
Total	**580.45**	**625.76**
Current liabilities	72.86	82.03
Non current liabilities	507.59	543.73
Total	**580.45**	**625.76**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break-up of financial assets carried at amortised cost

Particular	As at March 31, 2024	As at March 31, 2023
Trade receivables	8.08	16.53
Other financial assets	1.03	12.54
Cash and cash equivalents	7.93	21.05
Bank balances other than cash and cash equivalents	23.47	-
Total	**40.51**	**50.12**
Current assets	39.80	49.41
Non-current assets	0.71	0.71
Total	**40.51**	**50.12**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

27 Financial risk management

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Risk is inherent in the Company'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 Company's continuing operations. The Company is exposed to market risk, credit risk and liquidity risk.

Management of the Company is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. 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 fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	544.60	577.95

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings.

March 31, 2024

Particulars	Increase/decrease in %	Impact on loss before tax
Variable rate borrowings	Increase in 50 basis point	(2.91)
	Decrease in 50 basis point	2.91

March 31, 2023

Particulars	Increase/decrease in %	Impact on loss before tax
Variable rate borrowings	Increase in 50 basis point	(0.81)
	Decrease in 50 basis point	0.84

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.

The company has not entered into any foreign currency transaction during the current year and comparative period and hence not exposed to any foreign currency 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 from its investing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters. An impairment analysis is performed based on expected credit loss model at each reporting date. 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 above. There is no charge of impairment to Statement of profit and loss.

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

Expected credit loss for contract assets under simplified approach

	As at March 31, 2024		
Trade receivables	**Gross**	**Expected loss rate**	**Expected loss allowance**
Unbilled	8.08	0%	-
Less than 6 months	-	0%	-
Total	**8.08**		**-**

	As at March 31, 2023		
Trade receivables	**Gross**	**Expected loss rate**	**Expected loss allowance**
Unbilled	8.47	0%	-
Less than 6 months	8.06	0%	-
Total	**16.53**		**-**

Balance with Banks

Credit risk from balances with banks is managed by the Parent Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

Other financial assets carried at amortised cost

Company's exposure to other financial asset includes security deposits which is considered to be low risk. No loss allowance is required to be recognised for the same.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below summarises the company's financial liabilities into relevant maturity profile based on contractual undiscounted payments:

March 31, 2024

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	57.01	42.27	45.13	437.96
Trade payables	-	5.48	-	-	-
Other financial liabilities	-	10.37	-	-	-

March 31, 2023

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	11.82	34.22	56.88	44.13	457.20
Trade payables	-	10.16	-	-	-
Other financial liabilities	-	25.83	-	-	-

28 Analytical ratios

S. No.	Particulars	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Reasons for variance of more than 25%
1	Current Ratio	Current Assets	Current Liabilities	0.52	0.55	5%	Not applicable
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	2.91	2.92	0%	Not applicable
3	Debt Service Coverage Ratio	Earnings available for debt service (Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service (Interest & Lease Payments + Principal Repayments)	0.73	1.45	50%	Not applicable
4	Return on Equity	Net Profit/(loss) after taxes	Average Shareholder's Equity	-4%	-3%	-1%	Not applicable
5	Return on investment	Earning before interest and taxes	Total assets	6%	2%	-5%	Not applicable
6	Return on Capital employed	Earning before interest and taxes	Capital Employed	6%	2%	-5%	Not applicable
7	Net Profit Ratio	Net Profits/(loss) after taxes	Revenue	-9%	-10%	-2%	Not applicable
8	Trade Receivables turnover Ratio	Total Sales	Average Trade Receivable	7.60	1.58	-380%	Due to improvement in collection and also refer Note 1
9	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	2.59	1.74	-49%	Due to timely payment and also refer Note 1
10	Net capital turnover Ratio	Total Sales	Working Capital	-2.46	-0.64	-285%	Refer Note 1

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

Working Capital = Current assets less Current liabilities

Capital employed = Tangible Net worth + total debt

Average = (Opening + Closing)/2

Note 1:

Major operations started during the last quarter of previous year. In current year, the entity was operational through out the year.

29 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

Particular	March 31, 2024	March 31, 2023
Borrowings	564.60	589.77
Less: Cash and cash equivalents (includes other bank balances)	31.40	21.05
Net debt	**533.20**	**568.72**
Equity	193.76	201.91
Net Debt to Equity	**2.75**	**2.82**

There is no major variation in debt to equity ratio.

Loan Covenants

Under the terms of the borrowing facilities, the Company is required to comply with the following financial covenants:

(i) Debt to Equity ratio of 3:1 is maintained;

(ii) Debt Service Coverage ration of 1.10x is maintained; and

(iii) Debt to Tangible net worth is less than or equal to 3:1"

Financial Covenant with respect to Debt to Equity Ratio/DSCR shall be first tested based on the audited financial statements of the Financial Year 2023-24 and annually thereafter within a period of 6 (six) months from the end of the relevant Financial Year.

Some of the debt covenants were not complied as at March 31, 2024, refer note 12(b) for details.

30 Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Dues to small-scale industrial undertakings have been worked out on the basis of information available with the Management.

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount dues to micro and small enterprises*	1.64	-
	- Interest due thereon	0.01	-
b)	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	-	-
c)	The amount of payment made to the supplier beyond the appointed day during the year	-	-
d)	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	0.26	-
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.27	-
f)	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	0.27	-

31 Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz "Producer of power through renewable energy source". Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

32 Other Statutory Information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous year.

(iv) There is no income surrendered or disclosed as income during the current year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

Notes to financial statements for the year ended March 31, 2024
*(All amounts are in Rupees Lakhs, except per share dat*a and unless stated otherwise)

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premium
The Company has 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

The Company has 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.

33 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

The primary accounting software used for maintaining its books of account 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 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.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date: May 8, 2024

For and on behalf of the Board of Directors of
Jalansar Wind Energy Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date: May 2, 2024

KANAKAL WIND ENERGY PRIVATE LIMITED

Board of Directors
Ravi Damaraju
Mitish Somani (Upto April 5, 2024)
Sumit Rathi (w.e.f April 3, 2024)
Sandeep Mandke (Upto May 2, 2024)
Chandrasekar Sureshnathan (w.e.f May 2, 2024)

Corporate Office
Unit No. 601, 6th Floor,
Cello Platina, Fergusson College Road,
Model Colony, Shivajinagar, Pune 411005

Auditors
Price Waterhouse & Co.
Chartered Accountants LLP
7th Floor, Business Bay, Tower A,
Wing -1, Airport Road,
Yerwada, Pune 411006

Bankers
Yes Bank Limited

DIRECTORS' REPORT

Dear Shareholder,

Your directors take pleasure to present the Seventh Annual Report, together with the audited financial statements of your Company for the year ended March 31, 2024.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2023-24	2022-23
Total income	152.22	53.78
Profit before finance cost, depreciation, and tax	123.52	31.91
Finance Cost	85.78	21.31
Profit before depreciation and tax	37.74	10.60
Depreciation and impairment	46.32	11.39
Profit/(Loss) before tax	(8.58)	(0.79)
Provision for taxation (incl. deferred tax)	(3.19)	3.19
Items that are not to be reclassified to profit or loss	-	-
Profit/(Loss) after tax	(5.39)	(3.98)

State of Company's Affairs

During the year, the company has commissioned a Renewable Energy Project with a Solar capacity of 1.6MW/ 2.4 MWp in December 2023 and it has been put in operation since then.

Material changes affecting the Financial Position of the Company

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

Dividend

The directors do not recommend any dividend on equity shares.

Amount proposed to be carried to Reserves

During the year, the company has not transferred any amount to the General Reserve.

Share Capital

During the year there were no changes in the capital structure of the company. The Paid-up Share Capital of the Company is Rs. 3,32,30,000 divided into 33,23,000 Equity Shares of Rs.10 each. The Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity during the year.

Subsidiaries, Joint Ventures, and Associates

The Company does not have any Subsidiary, Joint Venture, or Associate Company as on March 31, 2024.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid/unclaimed deposits as on March 31, 2024.

Particulars of Loans, Guarantees or Investments

During the year under review, the Company did not make any investment nor did the company give any loan or guarantee pursuant to the provisions of Section 186 of the Companies Act, 2013.

Restriction on purchase by the Company or giving of Loans by it for purchase of its shares

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 exceeding the limit mentioned therein, to persons in the employment of the Company, Directors or Key Managerial Personnel, for purchase or to subscribe shares of the Company.

Business Risk Management

The Company has identified the below types of risks in its Solar business and has drawn a mitigation plan to address the same –

- **Land Risk**

  The land title/ ownership data as per Government systems have certain degree of inaccuracies owing to prevalent old manual systems. This could result in delays in land acquisition and give rise to litigation. To mitigate this risk, the Company has an in-house Land expert and appointed a reputable legal agency to conduct Thirty Year Title Search Report (TSR) to clearly establish the ownership prior to land acquisition.

- **Risk of Right of Way (RoW) and Resources**

  This type of risk involves risk of delays due to RoW during construction and the availability of resources as per the plan. To cope with this risk the Company plans advance tie-up for land parcels and NOCs from respective agencies. It also contracts competent local infra partners having experience and capability.

- **Renewable Sources and Grid Availability**

  The major risk identified by the Company is generation loss due to lower radiation, wind speed and Grid failures. The Company continuously studies the radiation levels and Wind Resources Assessment with historical data from reliable sources. It also carries out Load Flow Analysis and studies the data on power availability and quality from the Grid.

- **Plant Uptime and Soiling Losses**

  This type of risk involved the risk of revenue loss due to breakdowns and soiling due to the unavailability of water. This risk can be mitigated by selecting competent and credible service partners for Operations & Maintenance. The Company is also using water cleaning modules at regular frequency.

Health and Safety

Across all its operational assets, sites and offices, the Company implements policies that covers Health and safety. The Company strives for continuous improvement and its objective is to establish the best safety practices at sites and operating assets.

During the year the Company took below health and safety initiatives:

- HSE Communication: HSE Moment/Lessons Learnt – Weekly HSE Moment is circulated to all employees and contractors and learnings are implemented.
- HSE Risk Management: -Hazard Reporting and closure – Hazards are reported by employees and contractors and closure is monitored and supported by Management.
- HSE Promotion: - HSE Campaigns: - National Safety Week and Road Safety Week was celebrated across the company involving contractors and employees and employee's family members.
- HSE Training: - HSE training including, Visitor Induction, Safety Induction and Risk based training is imparted to Contractors.

Adequacy of Internal Financial Controls

The Company has adequate internal financial controls and those are operating effectively.

Directors

During the year, there were no change in the Director's of the Company.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ravi Damaraju (DIN: 09554649) retires by rotation and being eligible offers, himself for re-appointment. The proposal of re-appointment forms part of the Notice of the Seventh AGM of the Company.

Board Meetings

The Board met four times during the year under review on May 9, 2023, September 4, 2023, December 29, 2023 and March 15, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs during the year.

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 judgment 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 and loss 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 systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Details regarding frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

Related Party Transactions (RPT)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

A statement showing the disclosure of transactions with related parties as required under IND AS 24 is set out separately in the financial statements.

Maintenance of Cost Records

Pursuant to Section 148(1) of the Companies Act, 2013, the requirement for maintenance of cost records is not applicable to the Company.

Conservation of energy and technological absorption

The Company is in the business of renewable energy. The Company aims to conserve the environment by bringing about significant change in methods of using energy through the application of Solar, Wind, and associated Renewable energy generation sources for commercial & industrial customers. As a part of its "Build-Green" initiatives, the Company has installed solar powered Robots to clean the solar modules at the Opex projects thus ensuring waterless cleaning.

In the case of Technology absorption, the Company used higher rated (>540Wp) Monoperc PV modules with better efficiency, a structure designed to withstand the wind load and string type Solar Inverters designed for outdoor installation.

Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings and outgo during the year.

Particulars of Employees

Since the company is a Subsidiary of First Energy Private Limited and incorporated for the purpose of carrying out solar business, there are no employees on the rolls of the company as on March 31, 2024.

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

Significant and material orders passed by the Regulators or Courts

There are no significant or material orders passed by the Regulators / Courts.

Corporate Social Responsibility

The Company does not fall under the criteria defined under Section 135 of the Companies Act, 2013 as of March 31, 2024. Hence, the provisions related to Corporate Social responsibility do not apply to the Company.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is committed to providing employees with a safe and conducive work environment. No cases were pending at the beginning of the year/ filed during the year, according to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Insolvency and Bankruptcy Code, 2016

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

Valuation

During the year under review, there is no instance of onetime settlement with any Bank or Financial Institution.

Changes in the Regulatory Provisions and its impact on the business

During the year, the below changes were made to the Regulatory Provisions:

a. Via green open access regulations, captive demand in the state is set to expand. Open access is now allowed for consumers with smaller connected loads (> 100kW) but capped at resultant power flow. This has a positive impact on the business of the Company.

b. Maharashtra Energy Development Authority (MEDA) notified the MH Green Hydrogen Policy 2023 defining incentives available for Renewable Energy projects developed in the state, for supply to Green Hydrogen projects. This has a positive impact on the business of the Company.

c. The Hon'ble Supreme Court vide order dated 9th Oct 2023, has defined the Unitary Qualifying Ratio (UQR) for group captive projects. As per Electricity Rules 2005, group captive projects need to comply with twin requirements, i.e. maintain min 26% equity and consume min 51% of the energy generated, in the financial year. The SC order further clarified that for each 1% equity shareholding, minimum 1.96% of energy must be consumed, by each off-taker. The Company is under group captive structures and thus required to monitor the aforesaid compliance regularly.

Auditors

M/s Price Waterhouse Chartered Accountants LLP, (Firm Registration Number. 012754N/N500016) were appointed as Statutory Auditors of the Company for a period of Five year from the conclusion of the 6th Annual General Meeting (AGM) till the conclusion of the 11th AGM. The Auditors' Report for FY 2023-24 does not contain any qualification, reservation, or adverse remark.

Acknowledgments

The Directors wish to place on record their appreciation for the support extended by the Company's customers, vendors and bankers during the year and look forward to their continued support in the future as well. They also place on record their appreciation for the dedication and contributions made by all the employees for their commitment, hard work, and support.

For and on behalf of the Board of Directors of

Kanakal Wind Energy Private Limited

Sandeep Mandke	**Ravi Damaraju**
Director	Director
DIN: 09619581	DIN - 09554649

Pune, May 02, 2024

Independent auditor's report

To the Members of Kanakal Wind Energy Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Kanakal Wind Energy Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 financial statements

5. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

Report on other legal and regulatory requirements

10. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books, except for the back-up of the certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India and the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) (“the Rules”).

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) 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.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 32 (viii) to the 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, as disclosed in the Note 32 (viii) to the financial statements, 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 that we 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. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has 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 for accounting software to log any direct data changes. Further, for the said accounting software other than the aforesaid database, we did not notice any instance of the audit trail feature being tampered with. With respect to other accounting software which doesn’t have feature of recording audit trail, for which no adequate evidence of necessary controls and documentation regarding whether audit trail feature is enabled is available, the question of our commenting on whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.

12. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company. However, the Company has not paid/provided any managerial remuneration during the year.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDG3083

Place: Pune
Date : May 8, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of Kanakal Wind Energy Private Limited on the financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Kanakal Wind Energy Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to 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 ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDG3083

Place: Pune
Date : May 8, 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Kanakal Wind Energy Private Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of generating power from renewable energy source and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products/services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, income tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 12 to the financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under 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 or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the

Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has one CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership Number : 134593

UDIN: 24134593BKFJDG3083

Place: Pune
Date : May 8, 2024

KANAKAL WIND ENERGY PRIVATE LIMITED

Balance Sheet as at March 31, 2024

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

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,146.69	1,193.01
Financial assets			
(a) Other financial assets	4(a)	1.04	1.04
Deferred tax assets (net)	5	-	-
Total non-current asset		**1,147.73**	**1,194.05**
Current assets			
Financial assets			
(a) Trade receivables	6	12.31	13.56
(b) Cash and cash equivalents	7(a)	13.20	53.73
(c) Bank balance other than (b) above	7(b)	34.94	-
(d) Other financial assets	4(b)	0.28	14.41
Income tax assets (net)	8	0.19	-
Other current assets	9	4.37	1.77
Total current assets		**65.29**	**83.47**
Total assets		**1,213.02**	**1,277.52**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	332.30	332.30
Other equity	11	(29.58)	(24.19)
Total equity		**302.72**	**308.11**
Non-current liabilities			
Financial liabilities			
(a) Borrowings	12(a)	765.10	814.83
Deferred tax liabilities (net)	5	-	3.19
Contract liabilities	13(a)	46.68	20.07
Total non-current liabilities		**811.78**	**838.09**
Current liabilities			
Financial liabilities			
(a) Borrowings	12(b)	63.52	65.10
(b) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises	14	2.26	0.43
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	5.69	13.63
(c) Other financial liabilities	15	15.95	35.05
Contract liabilities	13(b)	10.86	10.86
Other current liabilities	16	0.24	6.25
Total current liabilities		**98.52**	**131.32**
Total equity and liabilities		**1,213.02**	**1,277.52**

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date

Statement of Profit and Loss for the year ended March 31, 2024

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

Particulars	Note No.	Year the ended March 31, 2024	Year the ended March 31, 2023
Revenue from operations	17	125.80	38.85
Other income	18	26.42	14.93
Total Income		**152.22**	**53.78**
Expenses			
Finance costs	19	85.78	21.31
Depreciation expense	20	46.32	11.39
Other expenses	21	28.70	21.87
Total Expenses		**160.80**	**54.57**
Loss before tax		**(8.58)**	**(0.79)**
Tax expense		(3.19)	3.19
Current tax		-	-
Deferred tax	5	(3.19)	3.19
Total tax expense		**(3.19)**	**3.19**
Loss for the year		**(5.39)**	**(3.98)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the year ₹		**(5.39)**	**(3.98)**
Loss per equity share			
Basic & Diluted [nominal value per share ₹ 10/-]	22	(0.16)	(0.21)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 08, 2024

For and on behalf of the Board of Directors of Kanakal Wind Energy Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date : May 02, 2024

Cash flow statement for the year ended March 31, 2024

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

	Particulars	Year the ended March 31, 2024	Year the ended March 31, 2023
A)	**Cash flows from operating activities**		
	Loss before tax	(8.58)	(0.79)
	Adjustments for		
	Depreciation expense	46.32	11.39
	Finance costs	85.78	21.31
	Interest income on financial assets measured at amortised cost	(1.95)	-
	Provision no longer required written back	-	0.18
	Working capital adjustments		
	(Increase)/decrease in trade receivables	1.25	(13.56)
	(Increase)/decrease in other financial assets	14.41	(15.45)
	(Increase) in other assets	(2.60)	(1.77)
	Increase/(decrease) in trade payables	(6.11)	14.06
	Increase in contract and other liabilities	20.60	36.61
	Increase/(decrease) in other financial liabilities	(1.99)	1.64
	Cash generated from operations	**147.13**	**53.61**
	Income taxes paid	(0.19)	-
	Net cash generated from operating activities	**146.94**	**53.61**
B)	**Cash flows from investing activities**		
	Payment for property, plant and equipment	(16.67)	(1,175.91)
	Payment for investments in fixed deposits	(34.94)	-
	Interest received	1.67	-
	Net cash outflows from investing activities	**(49.94)**	**(1,175.91)**
C)	**Cash flows from financing activities**		
	Proceeds from borrowings	23.50	878.34
	Repayment of borrowings	(70.11)	-
	Transaction cost for availing borrowing	(4.70)	(15.11)
	Proceeds from issue of Equity shares	-	331.30
	Cost related to issue of own equity instruments	-	(4.29)
	Interest paid on borrowing	(86.22)	(14.13)
	Interest paid and capitalised in Property, plant and equipment	-	(2.60)
	Net cash inflows/(outflows) from financing activities	**(137.53)**	**1,173.51**
	Net increase/(decrease) in cash and cash equivalents	**(40.53)**	**51.21**
	Cash and cash equivalents at the beginning of the financial year	53.73	2.52
	Cash and cash equivalents at the end of the financial year	**13.20**	**53.73**

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

	March 31, 2024	March 31, 2023
Cash and cash equivalents [refer note 7(a)]	13.20	53.73
Balances as per statement of Cash flow	**13.20**	**53.73**

Notes:

i) Statement of Cash Flows has been prepared under the “Indirect Method” in accordance with ‘IND AS 7 : Statement of Cash Flows’.

ii) Refer Note 12 (b) for Net debt reconciliation

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 08, 2024

For and on behalf of the Board of Directors of
Kanakal Wind Energy Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date : May 02, 2024

KANAKAL WIND ENERGY PRIVATE LIMITED

Statement of changes in equity for the year ended March 31, 2024

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

A. Equity Share Capital

Equity Shares of ₹ 10 each issued, subscribed and fully paid	Amount
As at April 1, 2022	**1.00**
Increased during the year	331.30
As at March 31, 2023	**332.30**
Increased during the year	-
As at March 31, 2024	**332.30**

B. Other Equity

Particulars	Retained Earnings	Total
As at April 1, 2022	**(15.92)**	**(15.92)**
Loss for the year	(3.98)	(3.98)
Other comprehensive income for the year	-	-
Total Comprehensive Loss for the year	**(3.98)**	**(3.98)**
Cost related to issue of own equity instruments	(4.29)	(4.29)
As at March 31, 2023	**(24.19)**	**(24.19)**
Loss for the year	(5.39)	(5.39)
Other comprehensive income for the year	-	-
Total Comprehensive Loss for the year	**(5.39)**	**(5.39)**
As at March 31, 2024	**(29.58)**	**(29.58)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 08, 2024

For and on behalf of the Board of Directors of
Kanakal Wind Energy Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date : May 02, 2024

Notes to financial statements for the year ended March 31, 2024
*(All amounts are in Rupees Lakhs, except per share dat*a and unless stated otherwise)

1 Corporate information

Kanakal Wind Energy Private Limited ("the Company") is a private limited company domiciled in India and incorporated on March 27, 2017 under the provisions of Indian Companies Act, 2013 is a subsidiary of First Energy Private Limited. The Company is primarily engaged in the business as a producer and distributor of solar power by using solar cells including developing, building and solar power projects.

The address of the Company's registered office is Unit No 601, 6th floor, Cello Platina, Fergusson road, Model Colony, Shivaji Nagar, Pune, Maharashtra, India 411005. The Board of Directors have authorized to issue these financial statements on May 2, 2024. The CIN of the Company is U40300PN2017PTC219726

2. Basis of preparation and summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation and measurement

a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

b) Historical cost convention

The financial statements have been prepared on the historical cost convention except certain financial assets measured at fair value (refer accounting policy regarding financial instruments);

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.2. New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Summary of material accounting policies

a. Revenue recognition

Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at the amount of the transaction price allocated to the performance obligation. Revenue is recognized 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 credit risks.

Revenue from sale of power

Revenue from sale of power is recognised at transaction price and over time for 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. Revenue recognized includes amounts billed to consumers on the basis of recording of consumption of energy by installed meters based on the applicable tariff agreed in purchase power agreement, which are recognized considering past trends of approval, management's probability estimate and when no significant uncertainty exists in such determination.

At the end of each reporting period, the Company updates the estimated transaction price to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. The Company accounts for such changes in the transaction price (including claims). Consideration / claim payable to a customer includes cash amounts that an entity pays to the customer. The Company accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. The consideration payable to a customer includes a variable amount.

Trade receivables: 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). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any.

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Plant and equipment	10 to 25	10 to 15

c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets are capitalized 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.

Borrowing costs pertaining to qualifying assets are presented as part of financing activities in statement of cash flows.

2.4 Summary of other accounting policies

a. 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

All financial assets (excluding trade receivables which do not contain a significant financing component) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transactions costs that are attributable to the acquisition of the financial asset . For all subsequent measurements, financial assets are classified in following categories by the Company:

i. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance costs/ income in the Statement of profit and loss. The losses arising from impairment are recognized in the Statement of profit and loss.

ii. Debt instrument at FVTPL

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

iii. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

iv. Equity investments

All equity investments in scope of Ind AS 109 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 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 derecognized 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

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized 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 recognizes 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 recognizing impairment allowance based on 12-month. The Company considers current and anticipated future economic conditions relating to industries of the customer and the countries where it operates.

ECL impairment allowance (or reversal) recognized during the period is recognized 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.

Financial liabilities

All financial liabilities are recognized 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, redemption liability, loans and borrowings.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization 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 amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

c. Property, Plant and Equipment

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.

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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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.

d. Income recognition

Interest income

For all financial instruments measured at amortized 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 amortized cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balances with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

g. Income 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 recognized outside profit or loss is recognized either in OCI or in equity. Current tax items are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Deferred tax items are recognized 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 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.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

h. Impairment of non-financial assets

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 group 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

i. Share capital

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

Cost for issuance of equity instruments:

The cost in issuing or acquiring Company's own equity instruments includes registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. These costs are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

j. Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost.

k. Segment reporting

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 been identified as the chief operating decision maker of the Company.

l. Contingent liabilities

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.

m. Earnings per share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. 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. 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).

n. Rounding of amounts:

Amounts disclosed in the financial statements are presented in INR in lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013, unless otherwise stated.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities as at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

i. Ind AS 116 – Leases

In determining whether revenue contract (power purchase agreement) with customer especially when entire contractual capacity of one project (solar / wind project) is committed to one customer, management exercises judgement in concluding whether contract contains lease. Management takes into consideration who is responsible for design of the project and who has right to direct the use of solar plant.

ii. Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the property, plant and equipment. Further, the cash flow projections are based on estimates and assumptions relating to expected demand, expected tariff rates for electricity, discount rate and electricity market scenario, based on past trends and the current and likely future state of the industry etc. which are considered reasonable by

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

the Management. Any reasonable possible change in the underlying assumptions would not lead to a material change to the amount of impairment.

iii. Borrowing costs

Significant management judgement is involved in determining whether in assessing whether the asset (solar/wind projects) 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 involves a period ranging from 6 months to 10 months.

2.5.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-financial assets

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 over the useful life of assets 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. The estimates involved includes long term debt cost, cost of equity and long term debt equity ratio.

ii. Impairment of financial assets

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.

iii. Useful lives of property, plant and equipment

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment 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.

iv. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize 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.

v. Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

3 Property, Plant and Equipment

Particulars	Land Freehold	Solar Power Plant	Right of Use of asset - Land	Total
Gross Block				
As at April 01, 2022	-	-	6.46	6.46
Additions	38.35	1,166.05	-	1,204.40
Deductions/Amortization	-	-	6.46	6.46
As at March 31, 2023	**38.35**	**1,166.05**	**-**	**1,204.40**
Additions	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2024	**38.35**	**1,166.05**	**-**	**1,204.40**
Depreciation				
As at April 01, 2022	**-**	**-**	**0.22**	**0.22**
For the year	-	11.39	-	11.39
Deductions	-	-	0.22	0.22
As at March 31, 2023	**-**	**11.39**	**-**	**11.39**
For the year	-	46.32	-	46.32
Deductions	-	-	-	-
As at March 31, 2024	**-**	**57.71**	**-**	**57.71**
Net Block				
As at March 31, 2024	**38.35**	**1,108.34**	**-**	**1,146.69**
As at March 31, 2023	**38.35**	**1,154.66**	**-**	**1,193.01**

See note 12 for information on property, plant and equipment pledged as security by the Company.

Capitalization of expenses

During the previous year, the Company has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment. Consequently, expenses disclosed under the respective notes were net of amounts capitalized by the Company.

Particular	As at March 31, 2023
Reimbursement of Salaries and wages	10.11
Reimbursement of Others Expenses	1.62
Finance costs	2.60
Total	**14.33**

4 (a) Other Financial Assets (Non-current)

Particular	As at March 31, 2024	As at March 31, 2023
Security deposits	1.04	1.04
Total	**1.04**	**1.04**

4 (b) Other Financial Assets (Current)

₹ in Lakhs

Particular	As at March 31, 2024	As at March 31, 2023
Interest on fixed deposit	0.28	-
Other receivables	-	14.41
Total	**0.28**	**14.41**

5. Deferred Tax (assets)/Liabilities (net)

Particular	For the year March 31, 2024	For the year March 31, 2023
Deferred tax asset		
Losses available for offsetting against future taxable income	120.97	49.27
Others	15.29	0.32
Total	**136.26**	**49.59**
Deferred tax liability		
Depreciation on property,plant and equipement	136.26	52.78
Total	**136.26**	**52.78**
Total	**-**	**3.19**

The Company has tax losses of Rs. 31.24 lakhs (March 31, 2023: Rs.Nil) that are available for offsetting for future taxable profits. 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 Company and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company was able to recognise all unrecognised deferred tax assets, the profit for the year would increase by Rs. 7.86 lakhs (March 31, 2023: NIL).

Name of Company	Expiry Date	As at March 31 2024		As at March 31 2023	
		Amount	Tax Impact	Amount	Tax Impact
Unabsorbed depreciation	No Expiry period	31.24	7.86	-	-
Total		**31.24**	**7.86**	**-**	**-**

The income tax expense consists of following:

Particular	For the year March 31, 2024	For the year March 31, 2023
Current tax expense	-	-
Deferred tax (benefit) / charge	(3.19)	3.19
Total	**(3.19)**	**3.19**

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particular	For the year March 31, 2024	For the year March 31, 2023
Loss before tax	(8.58)	(0.79)
Income tax rate	25.17%	25.17%
Expected tax expense / (credit)	(2.16)	(0.20)
Others	(1.03)	3.39
Total tax expense	**(3.19)**	**3.19**

6. Trade Receivables

Particular	As at March 31, 2024	As at March 31, 2023
Trade receivables	**12.31**	**13.56**
- Unbilled*	12.31	13.56
- Billed	-	-
Break-up for security details:		
Secured considered good		-
Unsecured considered good	12.31	13.56
Trade receivables which have a significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
	12.31	13.56
Less: impairment allowance	-	-
Total	**12.31**	**13.56**

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

*The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

Trade Receivables ageing

As at March 31, 2024

Particulars	Unbilled	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	
Undisputed trade receivables- considered good	12.31	-	-	-	-	-	-	12.31
Total	**12.31**	**-**	**-**	**-**	**-**	**-**	**-**	**12.31**

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

As at March 31, 2023

Particulars	Unbilled	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	
Undisputed trade receivables-considered good	13.56	-	-	-	-	-	-	13.56
Total	13.56	-	-	-	-	-	-	13.56

7(a) Cash and Cash Equivalents

Particular	As at March 31, 2024	As at March 31, 2023
Balance with bank		
- in current accounts	13.20	53.73
Total	**13.20**	**53.73**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

7(b) Other Bank Balances

Particular	As at March 31, 2024	As at March 31, 2023
-Deposits with original maturity of more than three months less than twelve months	34.94	-
Total	**34.94**	**-**

8. Income Tax Assets (net)

Particular	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Add: Current tax payable for the year	-	-
Less: Taxes Paid	0.19	-
Total	**0.19**	**-**

9. Other Current Assets

Particular	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Prepaid expenses	4.37	1.47
Others	-	0.30
Total	**4.37**	**1.77**

10 Share Capital

a. Authorised Share Capital

Equity shares of ₹ 10 each

Particular	No. of Shares	₹ in Lakhs
As at April 1, 2022	**10,000**	**1.00**
Increase during the year	3,390,000	339.00
As at March 31, 2023	**3,400,000**	**340.00**
Increase during the year	-	-
As at March 31, 2024	**3,400,000**	**340.00**

b. Issued, Subscribed and Paid up Share Capital

Equity shares of ₹ 10 each

Particular	No. of Shares	₹ in Lakhs
As at April 1, 2022	**10,000**	**1.00**
Changes during the year	3,313,000	331.30
As at March 31, 2023	**3,323,000**	**332.30**
Changes during the year	-	-
As at March 31, 2024	**3,323,000**	**332.30**

c. Terms/Rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors of the 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.

d. Equity shares held by holding company

Name of Company	As at March 31 2024		As at March 31 2023	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Holding company				
First Energy Pvt Limited	2,458,994	245.90	2,458,994	245.90
Equity shares of ₹ 10 each				

e. Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at March 31, 2024	As at March 31, 2023
(i) First Energy Private Limited, India		
% Holding	74.00%	74.00%
No. of shares	2,458,994	2,458,994
(ii) Indoco Remedies Limited		
% Holding	26.00%	26.00%
No. of shares	864,000	864,000

f. Shares held by promoters at the end of the year

Name of Promoter	As at March 31, 2024		As at March 31, 2023		% of change during the year
	Number of shares	% of total number of shares	Number of shares	% of total number of shares	
First Energy Private Limited	2,458,994	74.00%	2,458,994	74.00%	0.00%

11. Other Equity

Particular	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Opening balance	(24.19)	(15.92)
Add : Loss for the year	(5.39)	(3.98)
	(29.58)	**(19.90)**
Cost related to issue of own equity instruments	-	(4.29)
Total	**(29.58)**	**(24.19)**

12(a) Borrowings (non-current)

Particular	As at March 31, 2024	As at March 31, 2023
Secured loans from Bank		
Indian rupee loans from banks*	820.62	865.52
Less: Current maturities of long-term debt (included in current borrowings)	55.52	50.69
Total	**765.10**	**814.83**

* After considering unamortised expense of Rs. 23.30 lakhs.(PY 14.48 lakhs) as at March 31, 2024

Aggregate secured borrowings	765.10	814.83
Aggregate unsecured borrowings	-	-

Particulars	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from Yes Bank	March 31, 2042	76 structured quarterly Installment start from June 30, 2023	9.09% p.a.(Interest rate 3M MCLR)	820.62	865.52

Details of security

Indian rupee loans of Rs 843.91 Lakhs (Previous year Rs 880.00 lakhs) from banks is secured by way of charge on all present and future moveable and immovable assets including plant & machinery, machinery spares, tools, spare and accessories, project documents and on all current assets of the project (present and future) including but not limited to book debts, operating cash flows, receivables, commission, revenues of whatsoever nature and when arising and pledge of 30% of shares of the Kanakal Wind Energy Private Limited held by the Company.

12(b) Borrowings (current)

Particular	As at March 31, 2024	As at March 31, 2023
Secured loans		
Current maturities of long-term debt	55.52	50.69
Unsecured loans		
From holding company	8.00	-
From others	-	14.41
Total	**63.52**	**65.10**
Aggregate secured borrowings	55.52	50.69
Aggregate unsecured borrowings	8.00	14.41

Particular	Maturity date	Terms of payment	Interest rate	March 31, 2024	March 31, 2023
Loan from other	Payable on Demand	Single payment at end of term	9.00%	-	14.41
Loan from holding Companies	June 25, 2024	Single payment at end of the term	8.15%	8.00	-

Net debt reconciliation

Particular	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	13.20	53.73
Other Bank balance	34.94	-
Interest accrued	(6.74)	(7.18)
Borrowings	(828.62)	(879.93)
Net debt	**(787.22)**	**(833.38)**

As at March 31, 2024, the Company has not complied with some of the covenants under loan agreements in respect of secured borrowings from bank of Rs 820.62 lakhs.The company has received confirmation from the Bank that the said borrowing will not be recalled as a consequence of such breach.

Particular	Other assets		Liabilities from financing activities		Total
	Cash and cash equivalents	Other Bank Balance	Borrowings	Lease Liabilities	
Net debt as at March 31, 2022	**2.52**	**-**	**(16.70)**	**(6.40)**	**(20.58)**
Cash flows	51.21	-	(863.23)	-	(812.02)
Borrowing cost capitalised	-	-	(2.60)	-	(2.60)
Deletion of lease	-	-	-	6.40	6.40
Interest expenses	-	-	(14.13)	-	(14.13)
Interest paid	-	-	9.55	-	9.55
Net debt as at March 31, 2023	**53.73**	**-**	**(887.11)**	**-**	**(833.38)**
Cash flows	(40.53)	34.94	51.31	-	45.72
Interest expenses	-	-	(85.78)	-	(85.78)
Interest paid	-	-	86.22	-	86.22
Net debt as at March 31, 2024	**13.20**	**34.94**	**(835.36)**	**-**	**(787.22)**

13(a) Contract liabilities (Non-current)

Particular	As at March 31, 2024	As at March 31, 2023
Unearned revenue	46.68	20.07
Total	**46.68**	**20.07**

13(b) Contract liabilities (Current)

Particular	As at March 31, 2024	As at March 31, 2023
Unearned revenue	10.86	10.86
Total	**10.86**	**10.86**

14: Trade payables

Particular	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	2.26	0.43
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related parties	1.74	7.63
ii) Others	3.95	6.00
Total	**7.95**	**14.06**

Ageing schedule for trade payable

As at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	2.22	-	-	0.04	-	-	2.26
(ii) Others	4.47	-	1.22	-	-	-	5.69
Total	**6.69**	**-**	**1.22**	**0.04**	**-**	**-**	**7.95**

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables:							
(i) Micro and small enterprises	0.43	-	-	-	-	-	0.43
(ii) Others	13.63	-	-	-	-	-	13.63
Total	**14.06**	**-**	**-**	**-**	**-**	**-**	**14.06**

15 Other financial liabilities (current)

Particular	As at March 31, 2024	As at March 31, 2023
Payable for property, plant and equipment	9.21	25.88
Interest accrued but not due on loans	6.74	7.18
Other payables	-	1.99
Total	**15.95**	**35.05**

16 Other Current Liabilities

Particular	As at March 31, 2024	As at March 31, 2023
Statutory dues	0.24	6.25
Total	**0.24**	**6.25**

17 Revenue from operations

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Power Supply	125.80	38.85
Total	**125.80**	**38.85**

Disclosure pursuant to IND AS 115: Revenue from contracts with customers

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Revenue by category of contracts:		
Over a period of time basis	125.80	38.85
At a point-in-time basis	-	-
Total revenue from contracts with customers	**125.80**	**38.85**
ii) Revenue by geographical market:		
Within India	125.80	38.85
Outside India	-	-
Total revenue from contracts with customers	**125.80**	**38.85**

iii) Contract balances

The following table provides information about contract balances from contracts with customers as at the reporting date:

Particular	As at March 31, 2024	As at March 31, 2023
Contract Liabilities (Refer note 13(a) and 13(b))	57.54	30.93

The contract liabilities relate to unearned revenue 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.

iv) Reconciliation between revenue recognised in Statement of profit and loss and contract price

Particular	As at March 31, 2024	As at March 31, 2023
Contract price	121.32	36.13
Adjustments for:		
Significant Financing Component	4.48	2.72
Total Revenue recognised	**125.80**	**38.85**

v) Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

Unearned revenue	4.48	2.72

v) Remaining performance obligations:

The Company applies practical expedient included in para 121 of Ind AS 115 and does not disclose information about its remaining performance obligations for contracts where the entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed till date.

18 Other income

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on financial assets measured at amortised cost	1.95	-
Insurance claim received	18.47	-
Miscellaneous income*	6.00	14.93
Total	**26.42**	**14.93**

*During the year, the Holding Company has revised the method of charging common expenditure to its subsidiaries including for the amount already charged during the previous year ended March 31, 2023. This resulted in savings of Rs. 6.29 lakhs. Amount disclosed is after net off expenses charged during the year.

19 Finance costs

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses on financial liabilities measured at amortised cost	85.78	23.91
Less: Capitalised during the year	-	(2.60)
Total	**85.78**	**21.31**

20 Depreciation Expense

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment	46.32	11.39
Total	**46.32**	**11.39**

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

21 Other expenses

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Operation & Maintenance Charges	9.33	2.65
Electricity Expenses	5.54	1.25
Rates and taxes	1.43	2.00
Insurance	2.46	0.49
Travelling and conveyance	1.09	0.05
Communication expenses	0.02	
Printing and stationery	0.03	-
Professional charges	4.27	4.80
Auditor's remuneration (Refer below note)	0.59	1.77
Corporate Overhead allocation	-	7.63
Miscellaneous expenses	3.94	1.23
Total	**28.70**	**21.87**

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Corporate Social Responsibility (CSR) Rules, 2014. Therefore, it is not required to incur any expenditure on account of CSR activities during the current and previous year.

Note: Auditor's remuneration

Particular	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit fees (Including GST)	0.59	1.77
Total	**0.59**	**1.77**

22 Loss per share

Particular	As at March 31, 2023	As at March 31, 2022
Net Loss attributable to the Equity shareholders of the Company	(5.39)	(3.98)
Weighted average number of Equity shares of Rs.10/- each	3,323,000	1,867,660
Basic and Diluted Loss per share	**(0.16)**	**(0.21)**

23 Contingent liabilities and commitments

There are no liabilities of contingent nature.

24 Capital and other commitment

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Nil. (March 31,2023: Nil)

25 Related party disclosures

A Holding Company

First Energy Private Limited (w.e.f. June 23, 2022)

Sarjan Realities Private Limited (Till June 22, 2022)

B Ultimate Holding Company

RDA Holding Private Limited (w.e.f. June 23, 2022)

C Intermediate Holding Company

Thermax Limited (most senior parent that produces consolidated financial statements for public use) (w.e.f. June 23, 2022)

D Entities under common control with whom there have been transactions during the year:

First Energy 2 Private Limited (w.e.f. June 23, 2022)

Jalansar Wind Energy Private Limited

E Key Management Personnel:

1 Mr. Ravi Damaraju - Director (w.e.f. June 22, 2022)

2 Mr. Mitish Somani - Director ((w.e.f. June 22, 2022 till April 5, 2024)

3 Mr. Sandeep Mandke - Director (w.e.f. March 27, 2023)

4 Mr .Harpreet Singh - Director (w.e.f. June 22, 2022 till March 31, 2023)

5 Mr.Nilesh Vallabhdas Dhanani - Director (till June 22, 2022)

6 Mr.Abhinav Singh - Director (till June 22, 2022)

7 Mr.Sumit Rathi - Additional Director (w.e.f. April 03, 2024)

F Transactions with Related parties:

Particular	March 31, 2024	March 31, 2023
(a) Transactions during the year		
First Energy Private Limited		
-Subscription for equity shares by holding company	-	244.90
-Interest paid	0.17	10.38
-Reimbursement of expenses paid	-	836.77
-Loan Taken	8.00	-
-Reversal of corporate overhead (net)	4.53	-
Entities under common control		
First Energy 2 Private Limited		
-Reimbursement of expenses paid	0.28	1.56
Jalansar Wind Energy Private Limited		
-Reimbursement of expenses paid	0.07	-

G Outstanding balances

Particular	March 31, 2023	March 31, 2022
Immediate holding company		
First Energy Private Limited		
-Payables for Property, plant and equipments	6.25	6.25
-Trade Payables	1.74	7.63
-Borrowings	8.00	-
Entities under common control		
First Energy 2 Private Limited		
-Other financial liability	0.01	1.56
Jalansar Wind Energy Private Limited		
-Other financial liability	0.01	-

H Terms and conditions

All outstanding balances are unsecured, interest free except for borrowings and payable in cash. For details of interest on borrowings, refer note 12.

The transactions entered with related parties are at arm's length basis.

Notes to financial statements for the year ended March 31, 2024
(All amounts are in Rupees Lakhs, except per share data and unless stated otherwise)

26 Fair value measurements

Break up of financial liabilities carried at amortised cost

Particular	As at March 31, 2024	As at March 31, 2023
Trade payable	7.95	14.06
Other Financial liabilities	15.95	35.05
Borrowings	828.62	879.93
Total	**852.52**	**929.04**
Current liabilities	87.42	114.21
Non current liabilities	765.10	814.83
Total	**852.52**	**929.04**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Break up of financial liabilities carried at amortised cost

Particular	As at March 31, 2024	As at March 31, 2023
Trade receivables	12.31	13.56
Other financial assets	1.32	15.45
Cash and cash equivalents	13.20	53.73
Bank balances other than cash and cash equivalents	34.94	-
Total	**61.77**	**82.74**
Current assets	60.73	81.70
Non-current assets	1.04	1.04
Total	**61.77**	**82.74**

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

27 Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Risk is inherent in the Company'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 Company's continuing operations. 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. The Management reviews and agrees policies for managing each of these risks, which are summarised below.

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

The management of the Company has implemented a risk management system that is monitored by the Management of the Company. Market risk is managed on the basis of pre-determined asset allocations across various asset categories, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	820.62	865.52

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	March 31, 2024	March 31, 2023
Interest rates - Increase by 50 basis points	(4.36)	(1.21)
Interest rates - Decrease by 50 basis points	4.36	1.25

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.

The company has not entered into any foreign currency transaction during the current year and comparative period and hence not exposed to any foreign currency 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 from its investing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined credit risk parameters. An impairment analysis is performed based on expected credit loss model at each reporting date. 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 below. There is no charge of impairment to Statement of profit and loss.

Expected credit loss for contract assets under simplified approach

As at March 31, 2024

Trade receivables	Gross	Expected loss rate	Expected loss allowance
Unbilled	12.31	0%	-
Total	**12.31**		**-**

As at March 31, 2023

Trade receivables	Gross	Expected loss rate	Expected loss allowance
Unbilled	13.56	0%	-
Total	**13.56**	**-**	**-**

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

Balance with Banks

Credit risk from balances with banks is managed by the parent company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties to mitigate financial loss through counterparty's potential failure to make payments. Identified impairment loss for these assets is immaterial.

Other financial assets carried at amortised cost

Company's exposure to other financial asset includes security deposits which is considered to be low risk. No loss allowance is required to be recognised for the same.

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows on a on-going basis. 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.

Maturities of financial liabilities

The tables below summarises the company's financial liabilities into relevant maturity profile based on contractual

March 31, 2024

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	-	63.52	63.40	67.70	657.30
Trade payables	-	7.95	-	-	-
Other financial liabilities	-	15.95	-	-	-

March 31, 2023

Particulars	On demand	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Non- derivative					
Borrowings	14.41	50.69	84.83	65.82	678.66
Trade payables	-	14.06	-	-	-
Other Financial Liabilities	-	35.05	-	-	-

28 Analytical ratios

Sr. No.	Particulars	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Remarks for variation more than 25%
1	Current Ratio	Current Assets	Current Liabilities	0.66	0.64	4.26%	Not applicable
2	Debt-Equity Ratio	Total Debt	Shareholders' Equity	2.74	2.86	-4.16%	Not applicable
3	Debt Service Coverage Ratio	Earnings available for debt service (Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service (Interest + Principal Repayments)	0.79	1.50	-47.09%	Refer note below.
4	Return on Equity	Net Profits after taxes before exceptional items	Average Shareholder's Equity	-2.81%	-0.54%	-2.27%	Not applicable
5	Return on investment	Earning before interest and taxes	Total assets	12.73%	1.61%	11.12%	Not applicable
6	Return on Capital employed	Earning before interest and taxes	Capital Employed	6.82%	1.71%	5.12%	Not applicable
7	Trade Receivables turnover Ratio	Total Sales	Average Trade Receivable	9.73	5.73	269.73%	Refer note below.
8	Trade payables turnover Ratio	Net Credit Purchases	Average Trade Payables	2.61	3.11	183.82%	Refer note below.
9	Net capital turnover Ratio	Total Sales	Working Capital	-3.79	-0.81	566.27%	Refer note below.
10	Net Profit Ratio	Net Profit/(loss) after taxes	Revenue	-4.28%	-10.25%	5.97%	Not applicable

Working Capital = Current assets less Current liabilities

Capital employed = Tangible Net worth + total debt

Average = (Opening + Closing)/2

Note:

Major operations started during the last quarter of previous year. In current year, the entity was operational through out the year.

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

29 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 borrowings, equity and operating cash flows generated. Capital represents equity attributable to equity holders of the Company.

Particular	March 31, 2024	March 31, 2023
Borrowings	828.62	879.93
Less: Cash and cash equivalents (includes other bank balances)	48.14	2.52
Net debt	**780.48**	**877.41**
Equity	302.72	308.11
Net Debt to equity	**2.58**	**2.85**

There is no major variation in debt to equity ratio

Loan Covenants

Under the terms of the borrowing facilities, the Company is required to comply with the following financial covenants:

(i) Debt to Equity ratio of 3:1 is maintained;

(ii) Debt Service Coverage Ratio of 1.10 is maintained and

(iii) Debt to Tangible net worth is less than or equal to 3:1

Some of the debt covenants were not complied as at March 31,2024,refer note 12 (b) for details.

30 Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

Dues to small-scale industrial undertakings have been worked out on the basis of information available with the Management.

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount dues to micro and small enterprises*	2.26	0.43
	- Interest due thereon	0.01	-
b)	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	-	-
c)	The amount of payment made to the supplier beyond the appointed day during the year	0.27	-
d)	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	0.01	-
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.02	-
f)	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	0.02	-

31 Segment reporting

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and applies the resources to whole of the Company's business viz "Producer of power through renewable energy source". Hence the Company does not have any reportable segment as per Ind AS - 108 "Operating Segments".

32 Other Statutory Information

(i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

(iv) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(vi) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) Utilisation of borrowed funds and share premiu

The Company has 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

The Company has 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.

33 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 and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis. The Company will take appropriate measures to comply with regulations.

The primary accounting software used for maintaining its books of account 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 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.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Rakesh Khandelwal
Partner
Membership No.: 134593

Place: Pune
Date : May 08, 2024

For and on behalf of the Board of Directors of
Kanakal Wind Energy Private Limited

Sumit Rathi
Director
DIN : 07727272

Ravi Damaraju
Director
DIN : 09554649

Place: Pune
Date : May 02, 2024

For the convenience of the readers of this compilation, the audited financial statements of overseas subsidiaries prepared in local currencies, equivalent rupee amounts have also been additionally stated converted at the exchange rates as on March 31, 2024.

THERMAX EUROPE LIMITED

Board of Directors
Venkatesh Balasubramanian
Sandeep S Mandke

Secretary
Connolly Accounts &
Business Advisors Ltd.

Registered Office
The Stable Yard
Vicarage Road
Stony Stratford
Milton Keynes
Buckinghamshire
MK11 1BN

Bankers
HSBC Bank Plc
60 Queen Victoria Street
London
EC4N 4TR

Auditors
CED Accountancy Services Ltd
1 Lucas Bridge Business Park
Old Greens Norton Road
Towcester
Northamptonshire
NN12 8AX

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their strategic report for the year ended 31 March 2024.

REVIEW OF BUSINESS

The performance for the financial year 23-24 has been in line with what was budgeted at the beginning of the year but lower than the previous financial year.

The year closed with a turnover of £5.8 Million (previous year £6.11 Million). The pre-tax profit stands at £344,508 (previous year £301,710).

The order booking for the year stands at £4.77 Million, 16.60% higher than budgeted.

The Chiller business continues to be driven by on-site power generation market in Italy, Germany, Spain and UK. The Heat Pump business is driven by the district heating sector and the commitment made by some of the European countries to reduce their dependency on fossil fuel and increase energy efficiencies.

The highlights of the year are a large Heat pump order from Denmark and a chiller order for a refinery in Saudi Arabia.

The Service & spare parts business has exceeded our expectation due to large orders for spare parts.

The outlook for 2024-25 will be lower than present year due to continued Ukraine crisis that has created uncertainty in energy market, the lack of new gas contracts for new on site power generators on which the chiller business is dependent on. The focus however will remain on Germany, Italy, Eastern Europe and Scandinavia.

PRINCIPAL RISKS AND UNCERTAINTIES

The core business of Thermax Europe Ltd is the sales and service of Absorption chillers and heat pumps, manufactured by our parent company Thermax Ltd. Near term risk to the business comes from other competitors from the Far East, who could drive down the prices affecting the company's bottom line and sales. Any changes in government policies regarding energy can also affect the market for the type of equipment the company markets. The recent strides taken by renewable energy sector will be a long-term threat to businesses that directly or indirectly deal with equipment supply that rely on fossil fuel. The chillers and heat pumps the company markets falls in this category.

On financial management, the company has established a risk management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. The objectives aim to ensure sufficient working capital exists.

SECTION 172(1) STATEMENT

Directors confirm that, during the year, they continued to promote the success of the Company for the benefit of all stakeholders. In doing so, the Board's desire to act fairly for its sole member, maintain a reputation for high standards of business conduct, and consider the long-term consequences of the decisions they take, have underpinned the way it operates.

EXPOSURE TO PRICE, CREDIT, LIQUIDITY AND CASH FLOW RISK

Cash flow risk is the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. The Company finances its operations with cash and working capital items such as trade debtors and trade creditors that arise directly from its operations.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations and credit facilities.

Credit risk is the risk that one party to financial instruments will cause a financial loss for that other party failing to discharge an obligation. The policy is aimed at minimising such losses and requires that the deferred terms are granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. The director sets working capital targets including debtor days. Outstanding balances are reviewed by staff on a regular basis, in conjunction with debt ageing, and the Company operates a robust collection procedure.

NON-FINANCIAL INFORMATION

The company is a buy and sell company catering to European market for Absorption chillers and heat pumps. All chillers and heat pumps are manufactured by the parent company in India. The business strategy involves working with appointed distributors across continental Europe and key relationship with large contractors. In the UK the business model is working with HVAC contractors. The company also has a revenue stream from sales of spare parts and service support.

Through 'Thermax Cares', the group companies are inculcating environmental consciousness into the organizational culture. We have undertaken various initiatives to encourage employees and their families to contribute to reducing the earth's carbon and water footprint. Thermax is committed to minimise the use of natural resources and the impact of its operations on nature. It remains committed to building its Natural Capital through resource efficiency and excellence in environmental performance. The company is constantly measuring and managing the impact of its business and manufacturing operations on the environment, and taking necessary measures to reduce energy, water, and material consumption.

Thermax Group remains steadfastly focussed on nurturing a healthy organisation and a capable workforce, with an inclusive approach to its resources and human rights. At the core of its people policy is the company's thrust on building and retaining its critical skills, enhancing its performance potential, and developing its leadership capabilities. We provide necessary growth opportunities to have an engaged and committed workforce to drive the organisation towards growth. Some of the ways in which the company engages with the employees include open forums, online and functional training, people and leadership development, communication blogs, and celebrations like Technology Day, Environment Day, and Safety Week.

The company recognises that its business sustainability is premised on the relationships it builds with its communities. It acknowledges the importance of its societal welfare initiatives to promote sustainable growth. Its key objective is to facilitate quality education for children from economically weaker backgrounds, to help them come out of the vicious cycle of poverty. Further, Thermax Foundation works closely with the vulnerable communities around the company's manufacturing locations, and encourages key projects based on need-based evaluation.

The company's Corporate Governance framework encompasses its transparent systems, processes, and principles. It is designed to help Thermax create wealth for its stakeholders on a sustainable basis. It enables the company to conduct its business in a smooth manner and engage with its stakeholders. The company identifies material issues by engaging with multiple stakeholders - investors, shareholders, media, government, employees, vendors and suppliers, customers, and the community.

The company has a strong culture and elaborate processes to reduce the risk of unethical conduct, including a clear code of conduct and whistle blower policy. The Company is committed to operating its businesses with integrity and adopting governance policies that promote the thoughtful and independent representation of its stakeholders' interests.

The company adheres to all applicable local and international laws including social, human rights, anti-corruption, health & safety, environmental and employment laws. The subsidiary is advised by the parent company on some of these matters and others through local external consultants.

FOREIGN CURRENCY RISK

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

ON BEHALF OF THE BOARD:

Sandeep S Mandke

Director

Date: 10 May 2024

Report of the Directors

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their report with the financial statements of the company for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale and service of absorption chillers.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2024.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 April 2023 to the date of this report.

The directors shown below were in office at 31 March 2024 but did not hold any interest in the Ordinary shares of £1 each at 1 April 2023 or 31 March 2024.

Venkatesh Balasubramanian

Sandeep Suresh Mandke

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

Details of the group's corporation governance arrangements can be found on Thermax Limited's website.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with the Companies Act 2006, s 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch 7 to be contained in the directors' report. It has done so in respect of:

- Business model
- Review of business
- Principal risks and uncertainties
- Section 172(1) Statement
- Exposure to price, credit, liquidity and cash flow risk
- Likely future developments in the business

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Sandeep S Mandke

Director

Date: 10 May 2024

Directors' Responsibilities Statement

FOR THE YEAR ENDED 31 MARCH 2024

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditors to the Members of Thermax Europe Limited

Opinion

We have audited the financial statements of Thermax Europe Limited (the 'company') for the year ended 31 March 2024 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Directors and the Directors' Responsibilities Statement, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement partner ensured that the engagement team had the appropriate competence, capabilities and skills to identify or recognise non compliance with applicable laws and regulations;

We identified the laws and regulations applicable to the company through discussions with directors and other management;

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, employment environmental and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above;

We communicated identified laws and regulations within the audit team who remained alert to instances of non-compliance.

We assessed the susceptibility of the company's financial statements to material misstatement including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to whether they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

- understanding the design of the company's remuneration policies.

- requesting confirmation of opening balances and carrying out further audit procedures as required.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

In response to the risk of non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- agreeing financial statement disclosures to underlying supporting documentation;

- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditors responsibilities. This description forms part of our Report of the Auditors."

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Duncan J E Mitchell FCA (Senior Statutory Auditor)
for and on behalf of CED Accountancy Services Ltd
1 Lucas Bridge Business Park
Old Greens Norton Road
Towcester
Northamptonshire
NN12 8AX

Date: 10 May 2024

Income Statment
For the year ended March 31, 2024

Particulars	NOTE	2024		2023	
		£	Rs Lacs	£	Rs Lacs
Revenue	4	**5,755,157**	**6,058.79**	6,113,102	6,194.66
Cost of sales		**4,427,605**	**4,661.20**	5,235,957	5,305.81
Gross profit		**1,327,552**	**1,397.59**	877,145	888.85
Administrative expenses		**1,117,812**	**1,176.79**	629,706	638.11
Operating profit	6	**209,740**	**220.81**	247,439	250.74
Interest receivable and similar income		**134,769**	**141.88**	54,271	55.00
Profit before taxation		**344,509**	**362.68**	301,710	305.74
Tax on Profit	8	**88,289**	**92.95**	57,559	58.33
PROFIT FOR THE FINANCIAL YEAR		**256,220**	**269.74**	244,151	247.41

The notes form part of these financial statements

Exchange rate : as at 31 March 2024 is £= Rs 105.27

Exchange rate : as at 31 March 2023 is £= Rs 101.33

Balance Sheet as at 31 March 2024

Particulars	NOTE	2024		2023	
		£	Rs Lacs	£	Rs Lacs
Fixed assets					
Property, Plant and Equipment	9	**6,778**	**7.14**	7,762	7.87
Current assets					
Inventories	10	**82,969**	**87.35**	1,145,246	1,160.52
Debtors	11	**1,727,030**	**1,818.14**	4,617,753	4,679.36
Cash at bank and in hand		**5,642,586**	**5,940.28**	2,756,389	2,793.16
		7,452,585	**7,845.77**	8,519,388	8,633.04
Creditors:					
Amounts falling due within one year	12	**(610,729)**	**(642.95)**	(1,934,490)	(1,960.30)
Net current assets		**6,841,856**	**7,202.82**	6,584,898	6,672.75
Total assets less current liabilities		**6,848,634**	**7,209.96**	6,592,660	6,680.61
Provision for liabilities	15	**1,695**	**1.78**	1,941	1.97
Net Assets		**6,846,939**	**7,208.17**	6,590,719	6,678.65
Capital and reserves					
Called up share capital	16	**200,000**	**210.55**	200,000	202.67
Retained Earnings	17	**6,646,939**	**6,997.62**	6,390,719	6,475.98
Shareholders' funds		**6,846,939**	**7,208.17**	6,590,719	6,678.65

The financial statements were approved by the Board of Directors and authorised for issue on 10 May, 2024 and were signed on its behalf by:

Sandeep Mandke

Director

Cash Flow Statement for the year ended 31 March 2024

Particulars	NOTE	2024		2023	
		£	Rs Lacs	£	Rs Lacs
Cash flow from operating activities					
Cash generated from operations	1	**154,199**	**162.33**	1,901,319	1,926.68
Tax Paid		**(31,406)**	**(33.06)**	(22,975)	(23.28)
Net cash from operating activities		**122,793**	**129.27**	1,878,344	1,903.40
Cash flow from investing activities					
Purchase of tangible fixed asset		**(4,653)**	**(4.90)**	(5,419)	(5.49)
Sale of tangible fixed assets		**1,709**	**1.80**	-	-
Loan repayment		**2,631,579**	**2,770.42**	-	-
Interest received		**134,769**	**141.88**	54,271	55.00
Net cash from investing activities		**2,763,404**	**2,909.20**	48,852	49.50
(Decrease)/Increase in cash and cash equivalents		**2,886,197**	**3,038.47**	1,927,196	1,952.91
Cash and cash equivalents at the beginning of the year	2	**2,756,389**	**2,901.81**	829,193	840.26
Cash and cash equivalents at the end of the year	2	**5,642,586**	**5,940.28**	2,756,389	2,793.16

Other Comprehensive Income for the year ended 31 March 2024

Particulars	NOTE	2024		2023	
		£	Rs Lacs	£	Rs Lacs
Profit for the Year		**256,220**	**269.74**	244,151	247.41
Other Comprehensive Income		**-**	**-**	-	-
Total Comprehensive Income For The Year		**256,220**	**269.74**	244,151	247.41

Statement of Changes in Equity For the Year Ended March 31, 2024

Particulars	Capital		Accumulated Profit		Total Equity	
	£	Rs Lacs	£	Rs Lacs	£	Rs Lacs
Balance at 1 April 2022	200,000	210.55	6,146,568	6,470.85	6,346,568	6,681.40
Change in Equity:						
Total comphrensive income	-	-	244,151	257.03	244,151	257.03
Balance at 31 March 2023	200,000	210.55	6,390,719	6,727.88	6,590,719	6,938.43
Changes in Equity:						
Total comphrensive income	**-**	**-**	**256,220**	**269.74**	**256,220**	**269.74**
Balance at 31 March 2024	**200,000**	**210.55**	**6,646,939**	**6,997.62**	**6,846,939**	**7,208.17**

Notes to the Cash Flow Statement
For the year ended 31 March 2024

1. Reconciliation of profit before taxation to cash generated from operations

	2024	2023
	£	£
	344,509	301,710
Depreciation charges	**4,138**	4,520
Profit on disposal of fixed assets	**(210)**	-
Finance income	**(134,769)**	(54,271)
	213,668	251,959
Decrease/(increase) in inventories	**1,062,277**	(338,281)
Decrease in trade and other debtors	**255,825**	1,974,065
(Decrease)/increase in trade and other creditors	**(1,377,571)**	13,576
Cash generated from operations	**154,199**	1,901,319

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2024

	2024	2023
	£	£
Cash and cash equivalents	**5,642,586**	2,756,389

Year ended 31 March 2023

	2023	2022
	£	£
Cash and cash equivalents	**2,756,389**	829,193

3. Analysis of changes in net funds

	At 1.4.23	Cash flow	At 31.3.24
	£	£	£
Net cash			
Cash at bank and in hand	2,756,389	2,886,197	**5,642,586**
	2,756,389	2,886,197	**5,642,586**
Total	2,756,389	2,886,197	**5,642,586**

Notes to Financial Statement
For the year ended 31 March 2024

1. STATUTORY INFORMATION

Thermax Europe Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A.
- Section 33 'Related Party Disclosures': Compensation for key management personnel

The financial statements of the company are consolidated in the financial statements of Thermax Limited. These consolidated financial statements are available from its registered office Thermax House, 14 Mumbai Pune Road, Wakdewadi, Pune 411 003 India.

Turnover

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant & machinery - 20% on cost

Fixtures and fittings - 20% on cost

Computer equipment - 33.33% on cost

Stocks

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provision of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to Financial Statements March 31, 2024

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised costs using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is a contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from related companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised costs, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

Stock: The Company makes a periodic estimation of any possible impairment to stock taking into account a number of factors including: its commercial value in the current market; signs of significant or irreparable damage; and any potential items considered to be worth less than cost or deemed worthless. When assessing the carrying value of the stock, these factors are taken into consideration.

Debtors: The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the potential impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and the historical experience of the relationship with that debtor. Please also refer to 11 for the net carrying amount of the debtors and any associated impairment provision.

Creditors : Provision is made for commissioning costs of units fully invoiced but not yet commissioned. This requires management's best estimate of the expenditure that will be incurred based on contractual requirements. Management consider factors including the complexity of the machines and the estimated hours that would be required to fulfil the contract.

4. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2024	2023
	£	£
United Kingdom	**732,911**	1,268,213
Europe	**5,022,246**	4,597,740
Jordan	**-**	247,149
	5,755,157	6,113,102

5. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	**319,821**	317,718
Social security costs	**31,234**	33,639
Other pension costs	**15,329**	14,746
	366,384	366,103

The average number of employees during the year was as follows:

	2024	2023
Director	**2**	2
Admin	**6**	6
	8	8

	2024	2023
	£	£
Directors' remuneration	**-**	-

6. OPERATING PROFIT

The operating profit is stated after charging:

	2024	2023
	£	£
Other operating leases	9,230	13,519
Depreciation - owned assets	4,138	4,745
Profit on disposal of fixed assets	(210)	-
Foreign exchange differences	182,084	(200,124)

7. AUDITORS' REMUNERATION

	2024	2023
	£	£
CED Accountancy Services Limited (annual statutory audit)	9,800	8,400
Jeffcotes LLP/Candour Advisory LLtP (quarterly group audit)	-	1,475
SRBC & Co. LLP (quarterly group audit)	16,008	15,708
	25,808	25,583

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2024	2023
	£	£
Current tax:		
UK corporation tax	88,535	56,965
Deferred tax	(246)	594
Tax on profit	88,289	57,559

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2024	2023
	£	£
Profit before tax	344,509	301,710
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 19%)	86,127	57,325
Effects of:		
Expenses not deductible for tax purposes	441	64
Capital allowances in excess of depreciation	-	(424)
Depreciation in excess of capital allowances	246	-
Bad debt provision	1,721	-
Deferred tax	(246)	594
Total tax charge	88,289	57,559

9. PROPERTY, PLANT AND EQUIPMENT

	Plant & machinery	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
COST				
At 1 April 2023	1,717	9,869	11,823	23,409
Additions	-	3,149	1,504	4,653
Disposals	-	(4,689)	(2,568)	(7,257)
At 31 March 2024	1,717	8,329	10,759	20,805
DEPRECIATION				
At 1 April 2023	1,171	5,242	9,234	15,647
Charge for year	293	1,703	2,142	4,138
Eliminated on disposal	-	(3,190)	(2,568)	(5,758)
At 31 March 2024	1,464	3,755	8,808	14,027
NET BOOK VALUE				
31 March 2024	253	4,574	1,951	6,778
At 31 March 2023	546	4,627	2,589	7,762

10. INVENTORIES

	2024	2023
	£	£
Stocks and consumables	82,969	1,145,246

Stock has been impaired by £55,715 (2023: £62,788) due to obsolescence.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	1,266,256	1,572,308
Amounts owed by group undertakings	83,797	12,686
Loans & Advances to Associates	-	2,631,579
Recharges	24,718	-
Other Debtors	340,187	383,507
Tax	-	3,319
VAT	4,075	5,141
Prepayments	7,997	9,213
	1,727,030	4,617,753

An amount of £785,182 (2023 - £805,845) included in trade debtors is currently in dispute. The customer is challenging the product performance and warranty assurance. The company's parent company has agreed to underwrite any loss to the company, that could arise from non-payment of the receivable amount, and as such the directors consider that no provision is required against the balance owing.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	31,431	25,464
Amounts owed to group undertakings	80,850	1,210,095
Tax	53,810	-
Social security and other taxes	6,602	10,434
Customer advance payments	168,039	457,762
Accrued expenses	269,997	230,735
	610,729	1,934,490

Notes to Financial Statements March 31, 2024

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	**25,142**	17,907
Between one and five years	**14,644**	9,148
	39,786	27,055

14. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instruments is as follows:

Financial instruments that are debt instruments measured at amortised cost

	2024	2023
	£	£
Financial instruments that are debt instruments measured at amortised cost	**1,374,771**	4,216,573

Financial liabilities measured at amortised cost

	2024	2023
	£	£
Financial liabilities measured at amortised cost	**112,281**	1,235,558

15. PROVISIONS FOR LIABILITIES

	2024	2023
	£	£
Deferred tax	**1,695**	1,941

	Deferred tax
	£
Balance at 1 April 2023	**1,941**
Utilised during year	**(246)**
Balance at 31 March 2024	**1,695**

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2024	2023
200,000	Ordinary	£1	**200,000**	200,000

17. RESERVES

	Retaining earnings
	£
At 1 April 2023	**6,390,719**
Profit for the year	**256,220**
At 31 March 2024	**6,646,939**

18. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The amount recognised in the profit or loss as an expense in relation to the defined contribution plan was £15,329 (2023: £14,746)

Contributions totalling £1,564 (2023: £1,729) were payable to the fund at the balance sheet date and are included in creditors.

19. RELATED PARTY DISCLOSURES

Thermax Limited owns 100% of the shares in Thermax Europe Limited.

During the year Thermax Europe Limited were reimbursed expenses incurred amounting to £90,001 (2023: £73,973) from Thermax Limited.

During the year Thermax Europe Limited made sales amounting to £118,302 (2023: £64,456) to Danstoker A/S.

Purchases were made in the year from Thermax Limited of £2,919,447 (2023: £4,530,399), and Rifox-Hans Richter Gmbh £192,637 (2023: £198,241).

At 31/03/2024 Thermax Europe Limited was owed £83,797 (2023: £12,686) from Thermax Limited.

Thermax Europe Limited also owed £80,850 (2023: £1,200,539) to Thermax Limited and £1,353 (2023: £Nil) to Rifox-Hans Richter Gmbh.

On 26th August 2021 a loan of 3,000,000 Euros (£2,586,207) was made to Danstoker A/S at an interest rate of EURIBOR plus 1%. During the financial year the loan was repaid in full leaving no balance outstanding as at the 31/03/2024.

20. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is RDA Holdings Private Limited, a company incorporated in India.

The immediate parent company is Thermax Limited, a company incorporated in India.

THERMAX INTERNATIONAL LIMITED

Board of Directors

Mr Pheroz Pudumjee
(Date appointed : 21-Feb-00; Date resigned : 12-Jan-15)
Mrs Meher Pudumjee
(Date appointed : 21-Jul-00; Date resigned : 12-Jan-15)
Mr Yuvraj Thacoor
(Date appointed : 15-May-03; Date resigned : 23-Jan-15)
Mr A. Sattar Hajee Abdoula
(Date appointed : 04-Jan-08; Date resigned : 23-Jan-15)
Mr Gajanan Kulkarni
(Date appointed : 12-Jan-15; Date resigned : 21-Dec-15)
Mr Amit Govind Atre
(Date appointed : 15-Mar-16; Date resigned : 12-Jan-17)
Mr Amitabha Mukhopadhyay
(Date appointed : 12-Jan-15; Date resigned : 31-May-19)
Mr Shailesh Bhalchandra Nadkarni
(Date appointed : 12-May-17; Date resigned : 24-Sept-19)
Ms Farhana Alimohamed
(Date appointed : 23-Jan-15)
Mr Nundan Sharma Doorgakant
(Date appointed : 23-Jan-15)
Mr Rajendran Arunachalam
(Date appointed : 22-Aug-19: Date resigned : 22-Sep-22)
Mr. Sandeep Madke
(Date appointed : 27-Sep-22)

Registered Office

C/o Anex Management Services Ltd
8th Floor, Ebene Tower
52, Cybercity
Ebene
Mauritius

Auditors

Yousouf Peerbaye, F.C.A
Chartered Accountants
6th Floor, Richard House
Remy Ollier Street, Port Louis
Republic of Mauritius

Administrator & Company Secretary

Anex Management Services Ltd
8th Floor, Ebene Tower
52, Cybercity
Ebene
Mauritius

Bankers

HSBC Bank (Mauritius) Ltd
HSBC Centre
18, Cyber City, Ebene,
Republic of Mauritius

Commentary of the directors

The directors have the pleasure to submit their commentary to the directors together with the audited financial statements of Thermax International Limited, (the “Company”), for the year ended 31 March 2024.

Principal activity

The principal activity of the Company is that of investment holding and investing in the sectors involved in the manufacturing and supplying of industrial equipment based on Energy and environmental management.

Results and dividends

Details of the financial position, results of operations and cash flows of the Company are set out in these financial statements.

The directors do not recommend the payment of a dividend for the period under review.

Directors

The present membership of the Board is set out on page 2.

Directors’ responsibilities with respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditor, Yousouf Peerbaye, has indicated his willingness to continue in office and a resolution concerning his re-appointment will be proposed at the Annual Meeting of the shareholder.

Certificate from the secretary

We certify that, to the best of our knowledge and belief, THERMAX INTERNATIONAL LIMITED, (the “Company”), has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of Section 166(d) for the year ended 31 March 2024.

for Anex Management Services Ltd

Corporate Secretary

Date: 06 May, 2024

Independent auditors' report

To the member of THERMAX INTERNATIONAL LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of THERMAX INTERNATIONAL LIMITED, (the "Company"), which comprise of the statement of financial position at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements on pages 8 to 25 give a true and fair view of the financial position of the Company 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditors' Report Thereon ("Other Information")

The directors are responsible for the other information. The other information comprises the Directors' Report, the Certificate from the Secretary and the Statement of Profit or Loss and Other Comprehensive Income as required by the Mauritius Companies Act 2001 of Mauritius, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 have realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditors' Responsibilities for the audit of the Financial Statements

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Mauritius Companies Act 2001, we report as follows

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;

- we have obtained all the information and explanations we have required; and

- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Yousouf Peerbaye, F.C.A
Chartered Accountant
Port Louis, Mauritius

Date: 06 May, 2024

THERMAX INTERNATIONAL LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	2024		2023	
		USD	Rs Lacs	USD	Rs Lacs
ASSETS					
Non-current assets					
Investments	6	**900,498**	**751.02**	900,498	739.89
		900,498	**751.02**	900,498	739.89
Current assets					
Trade and other receivables		**2,195**	**1.83**	2,195	1.80
Cash and cash equivalent	7	**1,427,073**	**1,190.18**	354,242	291.06
Other receivables	8	**22,150**	**18.47**	322	0.26
		1,451,418	**1,210.48**	356,759	293.13
Total assets		**2,351,916**	**1,961.50**	1,257,257	1,033.03
EQUITY AND LIABILITIES					
Capital and reserves					
Stated Capital	9	**3,442,300**	**2,870.88**	3,442,300	2,828.37
Accumulated losses		**(1,572,937)**	**(1,311.83)**	(2,635,918)	(2,165.80)
		1,869,363	**1,559.05**	806,382	662.56
Current liabilities					
Trade and other payable	10	**-**	**-**	1,200	0.99
Accruals	10	**450,225**	**375.49**	449,675	369.48
Tax Liability	5	**32,328**	**26.96**	-	-
		482,553	**402.45**	450,875	370.46
Total equity and liabilities		**2,351,916**	**1,961.50**	1,257,257	1,033.03

Approved by the Board of Directors on 6th May 2024 and signed on its behalf by:

Farhana Alimohamed
Director

Nundan Sharma Doorgakant
Director

The notes on page 12 to 25 form an integral part of these financial statements.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	2024		2023	
	USD	Rs Lacs	USD	Rs Lacs
INCOME				
Dividend	**1,200,000**	**1,000.80**	-	-
Interest	**38,420**	**32.04**	3,769	3.10
	1,238,420	**1,032.84**	3,769	3.10
EXPENSES				
Licence Fees	**2,860**	**2.39**	2,722	2.24
Bank charges	**3,180**	**2.65**	3,340	2.74
Audit Fees	**2,300**	**1.92**	2,150	1.77
Accountancy Fees	**2,925**	**2.44**	3,175	2.61
Professional Fees	**10,625**	**8.86**	10,275	8.44
Taxation Fees	**1,200**	**1.00**	1,400	1.15
Other expense	**120,021**	**100.10**	4,436	3.64
	143,111	**119.35**	27,498	22.59
Profit / (Loss) before taxation	**1,095,309**	**913.49**	(23,729)	(19.50)
Taxation (Note 5)	**(32,328)**	**(26.96)**	-	-
Profit / (Loss) for the year	**1,062,981**	**886.53**	(23,729)	(19.50)
Other Comprehensive Income:				
Items that will not be reclassified subsequently to profit & loss	**-**	**-**	-	-
Items that will be reclassified subsequently to profit & loss	**-**	**-**	-	-
Other comprehensive income for the year, net of tax	**-**	**-**	-	-
Total comprehensive income for the year	**1,062,981**	**886.53**	(23,729)	(19.50)

Exchange Rate : as at 31 March 2024 is 1 US $ = Rs 83.40
Exchange Rate : as at 31 March 2023 is 1 US $ = Rs 82.16

The notes on page 12 to 25 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Stated Capital		Accumulated Losses		Total	
	USD	Rs Lacs	USD	Rs Lacs	USD	Rs Lacs
Balances at 1st April 2022	3,442,300	2,828.37	(2,612,188)	(2,146.30)	830,112	682.06
Profit for the year	-	-	(23,729)	(19.50)	(23,729)	(19.50)
Balances as at 31st March 2023	3,442,300	2,828.37	(2,635,917)	(2,165.80)	806,383	662.56
Balances at 1st April 2023	**3,442,300**	**2,828.37**	**(2,635,917)**	**(2,165.80)**	**806,383**	**662.56**
Profit for the year	**-**	**-**	**1,062,981**	**886.53**	**1,062,981**	**886.53**
Balances as at 31st March 2024	**3,442,300**	**2,828.37**	**(1,572,936)**	**(1,279.28)**	**1,869,364**	**1,549.09**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	2024		2023	
	USD	Rs Lacs	USD	Rs Lacs
Cash flows from operating activities				
Profit / (Loss) for the year	**1,095,309**	**913.49**	(23,729)	(17.98)
Adjustment for:				
(Increase) / decrease in receivables and prepayments	**(21,828)**	**(18.20)**	(562)	(0.43)
Increase/ (Decrease) in accounts payables	**(650)**	**(0.54)**	(54,800)	(41.53)
Net cash from operating activities	**1,072,831**	**894.74**	(79,091)	(59.94)
Cash flows from investing activities				
Loan receivable	**-**	**-**	-	-
Investment in subsidiary	**-**	**-**	-	-
Net cash outflow from investing activities	**-**	**-**	-	-
Net Increase/(Decrease) in cash and cash equivalents	**1,072,831**	**894.74**	(79,091)	(59.94)
Cash and cash equivalents at beginning of the year	**354,242**	**295.44**	433,334	328.41
Cash and cash equivalents at end of year	**1,427,073**	**1,190.18**	354,243	268.47

The notes on page 12 to 25 form an integral part of these financial statements.

Notes to the financial statements
For the year 31 March 2024

Corporate information

THERMAX INTERNATIONAL LIMITED (the "Company"), is a private company with limited liability and was incorporated in the Republic of Mauritius on 24 January 2000. The Company was granted a Category 1 Global Business Licence under the Financial Services Act 2007. (The surviving Act of the former Financial Services Development Act 2001)

The principal activity of the Company is that of investment holding and investing in the sectors involved in the manufacturing and supplying of industrial equipment based in Energy and environmental management.

The registered office is at 8th floor Ebene Tower, 52 Cybercity, Ebene, Republic of Mauritius.

1. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Mauritius Companies Act 2001.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in US Dollars, which is the Company's functional currency.

2. Application of new and revised IFRS

2.1 New and revised standards

The following are the revised standards and interpretation issued by the IASB in 2021:

	Effective for accounting period beginning on or after
Interest Rate Benchmart Reform – Phase 2 – Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	1 January 2021

Management has assessed the impact of these new and revised standards and interpretation and concluded that none of them have an impact on these financial statements.

2.2 Standards and interpretations not yet effective

There are certain standards and interpretations which apply for the first time to financial reporting periods commencing on or after 01 January 2022. These relevant standards and interpretations are being evaluated by management as to their impact on the financial statements.

Standard / Interpretation:	**Effective date: Years beginning on or after**	**Expected impact:**
1. Classification of Liabilities as current or non –current – Amendment to IAS 1	01 January 2022 (possibly deferred to 01 January 2023)	The impact of the standard is not material.
2. Property, Plant and Equipment: Proceeds before intended use- Amendments to IAS 16	01 January 2022	The impact of the standard is not material
3. Onerous Contracts – cost of fulfilling a contract - Amendment to IAS 37	01 January 2022	The impact of the standard is not material
4. Annual improvements to IFRS Standards 2018-2020	01 January 2022	The impact of the standard is not material
5. Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023	The impact of the standard is not material
6. Definition of Accounting Estimates – Amendments to IAS 8	01 January 2023	The impact of the standard is not material

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit and loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI")

In the current period, the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance cost or other financial items, except for impairment of receivables which is presented within other expenses.

Classification and subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and trade and most of its receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements include mainly trade receivables.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Company makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cashflows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past due.

The Company writes off a financial asset when there is information indicating that the debtor is in severe difficulty and there is no realistic prospect of recovery. Receivables or other financial assets written off are still subject to recovery procedures based on legal advices.

Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables and loans from related parties.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequent measurement of financial liabilities

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.3 Foreign currency

Functional and presentation currency

The financial statements are presented in US Dollars "USD", which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, together with other short-term, highly liquid investments maturing within 90 days from date of acquisition, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.5 Trade receivables

Trade receivables are in respect of products sold in the ordinary course of business and are classified as current assets if settlement is expected within one year.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

3.6 Trade payables

Trade payables are in respect of services provided and products acquired in the ordinary course of business and are classified as current liabilities if payment is due within one year.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3.7 Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.8 Equity

Stated capital is determined using the nominal value of shares that have been issued.

Loss for the period consists of the current period results as disclosed in the statement of comprehensive income.

3.9 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax, and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operation results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full.

3.10 Revenue recognition

Revenue is recognised upon declaration of dividend by its subsidiaries.

3.11 Set up costs

Set up costs are expensed in the period in which they are incurred.

3.12 Expense recognition

All expenses are accounted for on an accrual basis.

3.13 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

A company is related to another company where:

(a) the other company is its holding company or subsidiary;

(b) more than half of the issued shares of the company, other than shares that carries no right to participate beyond a specified amount in a distribution of either profits or capital, is held by the other company and companies related to that other company (whether directly or indirectly, but other than in a fiduciary capacity)

(c) there is another company to which both company are related

3.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses.

All known risks at reporting date are reviewed in detail and a provision is made where necessary.

3.15 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

4. Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgments in applying the Company's accounting policies.

In the process of applying the Company's accounting policies, which are described in Note 3.3, the directors have made the following judgements that have the most significant effect on the amounts recognized in the financial statements: -

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in Note 3.5, the directors have considered those factors described therein and have determined that the reporting currency of the Company is the United States Dollars ("USD").

5. Taxation

Income tax

The Company, being the holder of a Category 1, Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%. The Company's foreign sourced income is eligible for a foreign tax credit which is computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the foreign tax charged by the foreign country or a presumed amount of foreign tax: the presumed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income, thus reducing its maximum effective tax rate to 3%. In computing its total foreign tax credit, the Company is allowed to pool all its foreign sourced income. No Mauritian capital gains tax is payable on profits arising from sale of securities, and any dividends paid by the Company to its shareholders will be exempt in Mauritius from any withholding tax.

The Company has received a tax certificate from the Mauritian tax authorities that it is a tax resident of Mauritius, and such certification is renewed on an annual basis subject to satisfying certain conditions.

The Financial Services Commission ("FSC") issued a Category 1 Global Business Licence ("GBL1") to the company on 19 November 2015. Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPA 2018") to the Financial Services Act ("FSA"), the FSC is no longer empowered to issue any GBL1 as from 1 January 2019. Instead, the FSC may issue a Global Business Licence ("GBL") if the company satisfies certain conditions. The company will be deemed to hold a GBL as from 1 July 2021 under section 96A(1)(b) of the FSA.

As from 1 July 2021, the company will not be allowed to compute its foreign tax according to a presumed amount of 80% of the Mauritian tax of the relevant foreign sourced income. Furthermore, transactions with GBL corporations and non-residents will not necessarily be considered to be foreign sourced income. Effective as from 1 January 2019, the company may apply a partial exemption on its foreign dividend income, interest income and profits from foreign permanent establishments: the partial exemption is computed at 80% of the relevant foreign sourced income. The partial exemption is not mandatory: the company may apply the credit system if it so wishes.

A reconciliation of the theorical tax charge that would arise using the tax rate applicable to the profits of the Company to the tax charge is presented below:

	31-03-2024	31-03-2023
	USD	USD
Profit before taxation	**1,095,309**	(23,729)
Add: Unauthorised deduction		
Expenditure incurred in the production of exempt income	**18,472**	-
Withholding tax	**120,021**	-
Other expenses	**-**	4,436
Less: Exempt Income		
80% Partial Exemption – Dividend Income	**(960,000)**	
Loss adjusted for tax purpose	**273,802**	(19,294)
Loss brought forward	**(58,284)**	(38,991)
Profit adjusted for tax purpose	**215,518**	(58,285)
Tax for the year calculated @ 15%	**32,328**	-
Deemed tax credit of 80%	**-**	-
Tax charge for the period	**32,328**	-

6. Investment in subsidiaries

	31-03-2024	31-03-2023
	USD	USD
Investment at start	**900,498**	900,498
Acquisition during the year	**-**	-
Investment at end	**900,498**	900,498

Name of entity	Country of incorporation	% Holding	Carrying amount 2024	Carrying amount 2023
Thermax International Tanzania Limited	Tanzania	100%	**261,450**	261,450
Thermax Inc.	U. S. A	100%	**500,000**	500,000
PT Thermax Indonesia	INDONESIA	0.005%	**773**	773
Thermax Nigeria Ltd	NIGERIA	99.9996%	**138,275**	138,275
			900,498	900,498

The directors are of the opinion that the investment is stated at cost since the fair value cannot be reliably measured. The directors are of the opinion that the cost is a reflective of the fair value at 31 March 2024.

7. Cash and cash equivalent

	31-03-2024	31-03-2023
	USD	USD
Cash in hand	**67**	67
Bank	**37,006**	4,175
Deposit	**1,390,000**	350,000
	1,427,073	354,242

8. Other receivables

	31-03-2024	31-03-2023
	USD	USD
Interest Receivable	**22,150**	-
Receivable from subsidiary	**-**	322
	22,150	322

9. Stated capital

	31-03-2024	31-03-2023
	USD	USD
Authorised		
5,000,000 ordinary shares of USD 1 each	**5,000,000**	5,000,000
Issued and Fully Paid		
1,695,000 ordinary shares of USD 1 each	**1,695,000**	1,695,000
1,747,300 cumulative redeemable preference shares	**1,747,300**	1,747,300
	3,442,300	3,442,300

10. Trade and other payables and accruals

	31-03-2024	31-03-2023
	USD	USD
Trade payables	**-**	1,200
Accruals	**450,225**	449,675

The figure of USD 450,225 (2023: USD 449,675) includes USD 441,000 (2023: USD 441,000) representing the tax liability of Thermax Senegal SARL.

11. Financial instruments

(a) Financial risk factors

The Company's activities expose the Company to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(b) Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2024	Financial liabilities 2024	Financial assets 2023	Financial liabilities 2023
	USD	**USD**	USD	USD
Senegal XOF	**-**	**441,000**	-	441,000
Indonesian Rupiah	**773**	**-**	773	-
United States Dollars	**1,927,074**	**-**	854,242	1,200
Nigerian Naira	**138,275**	**-**	138,275	-
United States Dollars (TITL TANZANIA)	**261,450**	**-**	261,450	-
	2,327,572	**441,000**	1,254,740	442,200

(c) Financial risks

(i) Foreign currency risk

The Company invest in securities denominated in currencies other than its reporting currency. Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to those currencies may change in a manner which has a material effect on the reported values of that portion of the company's assets which are denominated in those currencies.

Notes to the financial statements
For the year 31 March 2024

(ii) Credit risk

Financial assets that potentially expose the Company to credit risk consist principally of loans receivables and cash and cash equivalents. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

(iii) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial liabilities.

The table below illustrates the aged analysis of the Company's financial liabilities.

Liabilities Accruals	**31 March 2024**		
	Less than 1 year	**Over 1 year**	**Total**
	USD	**USD**	**USD**
Accruals	9,225	441,000	450,225

Liabilities Accruals	**31 March 2023**		
	Less than 1 year	**Over 1 year**	**Total**
	USD	**USD**	**USD**
Accruals	8,675	441,000	449,675

(i) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's financial assets bear a fixed interest rate and its financial liabilities are non-interest bearing. Therefore, the Company is not exposed to any interest rate risk at reporting date.

(ii) Concentration risk

At 31 March 2024 the directors consider that the Company is not exposed to any concentration risk.

(v) Capital risk management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholder and benefits for other stakeholders.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising of issued capital and retained earnings and unsecured borrowings from related parties.

The Company does not have any third-party debt due for the year ended 31 March 2024, hence does not have any capital risk.

12. Ultimate holding company

Holding company: Thermax Limited (India).

Ultimate holding company: RDA Holdings Private Limited.

THERMAX INC

Board of Directors	***Registered Office***	***Auditors***	***Bankers***
Mr. Venkatesh Balasubramanian Mr. Dinesh Mandhana Mr. Rajendran Arunachalam	16200, Park Row, Suite 190 Houston, Texas 77084	Plante & Moran, PLLC Suit 300 19176 Hall Road Clinton Township MI 48038	JP Morgan Chase

Independent Auditor's Report

To the Board of Directors

Thermax Inc.

Opinion

We have audited the financial statements of Thermax Inc. (the "Company"), which comprise the balance sheet as of March 31, 2024 and 2023 and the related statements of operations, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Plante & Moran, PLLC

May 6, 2024

Balance Sheet Year Ended March 31, 2024 and 2023

	2024		2023	
	USD	**Rs Lacs**	USD	Rs Lacs
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	**8,463,024**	**7,058.16**	4,436,350	3,645.13
Restricted cash and cash equivalents	**-**	**-**	1,813,350	1,489.94
Accounts Receivable				
Trade accounts receivable - Net (Note 4)	**3,212,473**	**2,679.20**	4,573,377	3,757.72
Trade receivable from related parties (Note 7)	**673,941**	**562.07**	261,076	214.51
Inventory (Note 5)	**4,199,254**	**3,502.18**	4,631,575	3,805.53
Advances to affiliates (Note 7)	**154,880**	**129.17**	731,117	600.72
Prepaid expenses and Oher Current Assets:				
Refundable Tax (Note 10)	**11,187**	**9.33**	27	0.02
Other Current Assets	**138,338**	**115.37**	98,481	80.92
Total Current Assets	**16,853,097**	**14,055.48**	16,545,353	13,594.49
Leased Assets - Operating lease (Note 8)	**131,776**	**109.90**	198,687	163.25
Property And Equipment - Net (Note 6)	**30,540**	**25.47**	38,302	31.47
Other Assets				
Loan to Affiliate (Note 7)	**-**	**-**	1,500,000	1,232.48
Deferred tax recovery (Note 10)	**157,000**	**130.94**	137,000	112.57
Total Assets	**17,172,413**	**14,321.79**	18,419,342	15,134.25

	2024		2023	
	USD	**Rs Lacs**	USD	Rs Lacs
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES				
Accounts Payable:				
Trade accounts Payable	**162,411**	**135.45**	245,143	201.42
Trade payables to related parties (Note 7)	**3,308,748**	**2,759.50**	5,037,015	4,138.66
Short term lease liability (Note 8)	**94,696**	**78.98**	85,937	70.61
Accrued and other current liabilities:				
Taxes Payable	**-**	**-**	52,000	42.73
Contract obligations (Note 3)	**212,700**	**177.39**	204,700	168.19
Customer Deposits and advances	**851,586**	**710.22**	1,322,990	1,087.03
Other accrued liabilities	**312,694**	**260.79**	355,382	292.00
Total Current Liabilities	**4,942,835**	**4,122.32**	7,303,167	6,000.65
Long-term Lease liability (Note 8)	**39,439**	**32.89**	118,589	97.44
Total Liabilities	**4,982,274**	**4,155.22**	7,421,756	6,098.09
Stockholder's Equity				
Common Stock - $10 Par Value				
50,000 shares Authorized, issued and Outstanding	**500,000**	**417.00**	500,000	410.83
Retained Earnings	**11,690,139**	**9,749.58**	10,497,586	8,625.34
Total Stockholder's Equity	**12,190,139**	**10,166.58**	10,997,586	9,036.17
Total Liabilities And Stockholder's Equity	**17,172,413**	**14,321.79**	18,419,342	15,134.25

See notes to financial statements

Statement of Operations for the years ended March 31, 2024 and 2023

	2024		2023	
	USD	**Rs Lacs**	USD	Rs Lacs
Revenue				
Operating Revenues	**23,293,758**	**19,426.99**	30,520,374	25,077.07
Other Revenues	**397,635**	**331.63**	267,671	219.93
Total Revenue	**23,691,393**	**19,758.62**	30,788,045	25,297.00
Costs of Revenue	**18,517,618**	**15,443.69**	25,776,412	21,179.19
Gross Profit	**5,173,775**	**4,314.93**	5,011,633	4,117.81
Selling General and Administrative Expenses	**3,610,244**	**3,010.94**	3,227,398	2,651.79
Income - Before income taxes	**1,563,531**	**1,303.98**	1,784,235	1,466.02
Income Tax Expense (Note 10)	**370,978**	**309.40**	408,053	335.28
Net Income	**1,192,553**	**994.59**	1,376,182	1,130.74

Exchange Rate : as at 31 March 2024 is 1 US $ = Rs 83.40

Exchange Rate : as at 31 March 2023 is 1 US $ = Rs 82.17

THERMAX INC

Statement of Cash flows for the years ended March 31, 2024 and 2023

	2024		2023	
	USD	Rs Lacs	USD	Rs Lacs
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	**1,192,553**	**994.59**	1,376,182	1,130.74
Adjustment to reconcile net income to net cash from operating activities:				
Depreciation	**13,179**	**10.99**	12,571	10.33
Gain on disposal of property and equipment	**1,016**	**0.85**	-	-
Bad debt expense	**114,830**	**95.77**	-	-
Amortisation of right of use asset	**93,631**	**78.09**	80,566	66.20
Deferred Income Taxes	**(20,000)**	**(16.68)**	(31,000)	(25.47)
Changes in operating assets and liabilities which provided (used) cash:				
Trade accounts receivable	**1,246,074**	**1,039.23**	(2,171,883)	(1,784.53)
Trade receivables from related parties	**(412,865)**	**(344.33)**	(202,711)	(166.56)
Inventory	**432,321**	**360.56**	2,201,853	1,809.15
Prepaid expenses and other current assets	**(51,017)**	**(42.55)**	225,616	185.38
Trade cccounts payable	**(82,832)**	**(69.08)**	(272,087)	(223.56)
Trade payable to related parties	**(1,728,167)**	**(1,441.29)**	(992,019)	(815.09)
Customer deposits and advances	**(471,404)**	**(393.15)**	448,710	368.68
Provision for start-up costs	**8,000**	**6.67**	41,200	33.85
Other accrued liabilities	**(94,688)**	**(78.97)**	127,042	104.38
Lease liability	**(97,110)**	**(80.99)**	(68,630)	(56.39)
Advances to affiliates	**576,237**	**480.58**	(552,142)	(453.67)
Net cash and cash equivalents provided by operating activities	**719,758**	**600.28**	223,268	183.45
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property and equipment	**(6,434)**	**(5.37)**	(15,206)	(12.49)
Collection on loan to affiliate	**1,500,000**	**1,251.00**	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**1,493,566**	**1,245.63**	(15,206)	(12.49)
NET INCREASE IN CASH & CASH EQUIVALENTS	**2,213,324**	**1,845.91**	208,062	170.95
Cash & cash Equivalents - Beginning of year	**6,249,700**	**5,212.25**	6,041,638	4,964.11
Cash & cash Equivalents - End of year	**8,463,024**	**7,058.16**	6,249,700	5,135.07
Classification of Cash and cash equivalents				
Cash and cash equivalents	**8,463,024**	**7,058.16**	4,436,350	3,645.13
Restricted cash and cash equivalents	**-**	**-**	1,813,350	1,489.94
Total cash and cash equivalents	**8,463,024**	**7,058.16**	6,249,700	5,135.07
Supplemental Cash Flow Information - Cash paid for Income Taxes	**402,138**	**335.38**	190,130	156.22
Significant Noncash Transactions - Recognition of right-of-use assets related to leased facilities	**15,739**	**13.13**	219,189	180.10

See notes to financial statements

Exchange Rate : as at 31 March 2024 is 1 US $ = Rs 83.40

Exchange Rate : as at 31 March 2023 is 1 US $ = Rs 82.17

Statement of Stockholder's Equity

Year ended March 31, 2024 and 2023

	Common Stock		Retained Earnings		Total	
	USD	Rs Lacs	USD	Rs Lacs	USD	Rs Lacs
Balance - April 1, 2022	500,000	417.00	9,121,404	7,607.25	9,621,404	8,024.25
Net Income	-	-	1,376,182	1,147.74	1,376,182	1,147.74
Balance - March 31, 2023	500,000	417.00	10,497,586	8,754.99	10,997,586	9,171.99
Net Income	-	-	1,192,553	994.59	1,192,553	994.59
Balance - March 31, 2024	**500,000**	**417.00**	**11,690,139**	**9,749.58**	**12,190,139**	**10,166.58**

Notes to Financial Statements March 31, 2024 and 2023

Note 1 - Nature of Business

Thermax Inc. (the "Company") was incorporated on October 23, 2000. The Company's operations consist of two segments - chemical and energy. The chemical segment consists of the sale of ion exchange resins and chemicals primarily within North America. The energy segment consists of the sale of absorption chillers, with operations conducted primarily in North America.

The Company is a wholly owned subsidiary of Thermax International Limited (Mauritius), which, in turn, is wholly owned by Thermax Ltd., an Indian publicly listed company. Thermax Ltd. is a subsidiary of RDA Holdings Private Limited, a company incorporated in India. The Company acquires substantially all of its products for sale from Thermax Ltd. The Company operates out of a corporate office in Houston, Texas.

Note 2 - Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Credit Risk and Major Customers

The Company's energy business segment includes sales to two customers of $3,320,049 and $5,012,794 during the years ended March 31, 2024 and 2023, respectively. Accounts receivable from these customers totaled $19,425 and $1,229,286 at March 31, 2024 and 2023, respectively.

The Company's chemical business segment includes sales to two customers totaling $6,189,880 and $7,486,408 for the years ended March 31, 2024 and 2023, respectively. Accounts receivable from these customers totaled $540,338 and $661,738 at March 31, 2024 and 2023, respectively.

Advertising Expense

Advertising expense is charged to income during the year in which it is incurred. Advertising and promotion expenses for the years ended March 31, 2024 and 2023 were $48,377 and $27,646, respectively.

Cash Equivalents

The Company utilizes a money market account and certificates of deposit to earn interest on funds held.

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts.

For the purpose of the accompanying financial statements, the Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. This includes certificates of deposit totaling $6,550,000 and $4,563,350 as of March 31, 2024 and 2023, respectively. The carrying amount reported on the balance sheet for cash and cash equivalents approximates fair value due to the short term nature of these investments.

Restricted Cash

Under the terms of its letter of credit agreement with a bank, effective December 10, 2021, the Company has agreed to maintain a compensating balance, which was equal to $0 and $1,813,350 as of March 31, 2024 and 2023, respectively.

Trade Accounts Receivable

The Company's accounts receivable are primarily related to sales of ion exchange resins and vapor absorption chillers and spares. Credit is extended based on prior experience with the customer and evaluation of the customer's financial condition. Trade accounts receivable are stated at invoice amounts and generally due within 30 days. A reserve for credit loss allowance is established based on company policy, the assessment of outstanding invoices unpaid following normal customer payment periods, and review of historical loss experience adjusted for future economic conditions and market trends affecting the Company's ability to collect outstanding amounts. Uncollectible amounts are written off against the reserve for credit loss in the period they are determined to be uncollectible. The reserve for credit loss on accounts receivable balances was $133,947 and $19,117$0 as of March 31, 2024 and 2023, respectively.

Inventory

Inventory consists of products purchased from Thermax Ltd. and is valued at the lower of cost or net realizable value (NRV), with NRV based on selling prices in the ordinary course of business, less costs of completion, disposal, and transportation. Inventory cost is determined using the average cost method. The cost of inventory includes the purchase price of the products, expenses incurred on freight, customs duty where applicable, and other incidental expenses.

Shipping and Handling Costs

Shipping and handling costs are generally capitalized to inventory for the inbound costs of the Company's purchases and recorded as costs of sales for the outbound costs of the Company's sales as they are incurred.

Property and Equipment

Property and equipment are recorded at cost. The straight line method is used for computing depreciation over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

The estimated useful lives used to determine depreciation are as follows:

	Depreciable Life - Years
Furniture and fixtures	7
Office equipment	5
Leasehold improvements	7

Income Taxes

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

The Company has elected to classify interest and penalties, if applicable, related to income tax obligations as part of income tax expense.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The financial statements and related disclosures include evaluation of events up to and including May 6, 2024, which is the date the financial statements were available to be issued.

Note 3 - Revenue Recognition

The Company generates revenue from contracts with customers through the sale of absorption chillers to customers in North America and ion exchange resins and chemicals primarily in North America.

The Company's typical contract terms for the sale of absorption chillers are memorialized in purchase orders. The typical contract calls for delivery of the chiller to the designated customer site and startup. Any ongoing requirement for maintenance of the chillers after startup is negotiated as a separate customer contract when needed, which may not be at the time the chiller is purchased.

From time to time, the Company may sell spare parts to its customers under separately negotiated customer contracts. Spare parts sold to customers are recognized when control transfers to the customer under the customer contract.

The Company's typical contract terms for the sale of ion exchange resins are memorialized in purchase orders. In most of the contracts, customers will pick up resins from one of the storage warehouses. In certain circumstances, contracts call for delivery of a specific type and quantity of resin to the customer location. In other cases, containers of ion exchange resins imported from the factory are delivered direct to customer locations.

The most significant economic factor affecting the nature, amount, timing, and uncertainty of the Company's revenue and cash flows pertains to the type of customers for sale of the Company's absorption chillers. The Company's revenue per customer in this segment is significant. As a result, the credit quality of the customer may have a significant impact on the risks associated with this revenue stream.

During the years ended March 31, 2024 and 2023, the Company recognized revenue from contracts with customers as follows:

	2024	2023
Absorption chillers	**$ 5,457,582**	$ 8,412,817
Absorption chillers Services/ Maintenance	**328,733**	440,028
Absorption chillers Spare parts	**523,129**	461,634
Ion exchange resins	**16,984,314**	21,205,895
Total revenue from contracts with customers	**$ 23,293,758**	$ 30,520,374

The Company's revenue from the sale of absorption chillers includes revenue for startup services. Revenue for startup services for the years ended March 31, 2024 and 2023 was approximately $114,000 and $125,200, respectively.

The Company recognized impairment losses of $114,830 and $0 on its trade receivables for the years ended March 31, 2024 and 2023, respectively. Accounts receivable were $3,886,414, $4,834,453, and $2,459,859 as of March 31, 2024; March 31, 2023; and April 1, 2022, respectively.

For the absorption chillers revenue stream, the Company has performance obligations for the delivery of the chiller and the subsequent startup of the chiller. The performance obligation for the delivery of chillers is recognized at a point in time. The performance obligation for sale of spare parts is also recognized at a point in time. The Company has evaluated the factors to determine when the customer obtains control over the chiller and the spare parts sold and has concluded that control transfers when the risk of ownership has transferred. In most cases, this is upon delivery to the customer site, as the Company typically bears the risk of loss for goods in transit.

The startup service and maintenance performance obligations are recognized over time. The Company has evaluated the factors to determine when the customer obtains control over the service being rendered and has concluded that control transfers as the work is performed by the Company's technicians. For startup service and for maintenance performance obligation, the measure of progress is completion of activity per the terms of the service contract. The measure of progress is actual costs incurred, including salaries and fringe benefits, and travel and other out of pocket costs incurred. There were no outstanding contract assets related to startup service and maintenance contracts as of March 31, 2024; March 31, 2023; or April 1, 2022. Contract liabilities related to startup service and maintenance contracts totaled $212,700 and $204,700 as of March 31, 2024 and 2023, respectively, and $163,500 as of April 1, 2022.

For the ion exchange resins revenue stream, the Company has performance obligations for the delivery of the resins. The delivery performance obligation is recognized at a point in time. The Company has evaluated the factors to determine when the customer obtains control over the resins and has concluded that control transfers when the risk of ownership has transferred. In most cases, this is upon pickup by the customer and, in a few cases, by delivery to the customer site, as the Company typically bears the risk of loss for goods in transit.

Payment for goods and services sold by the Company is typically due within 30 days after an invoice is sent to the customer. Invoices for goods are typically sent to customers within 3 calendar days of delivery. Invoices for services performed over time are typically sent to customers on the completion of service by the Company's service personnel.

The Company does not offer discounts if the customer pays some or all of an invoiced amount prior to the due date. Related to the Company's customer contracts for the sale of absorption chillers and occasionally for sale of ion exchange resins, the Company, in some cases, bills its customers and collects cash prior to the satisfaction of the performance obligation, which results in the Company recognizing contract liabilities. These payments are effectively down payments from its customers. These contract liabilities are recorded as customer deposits and advances on the balance sheet. Customer advances totaled $851,586 and $1,322,990 as of March 31, 2024 and 2023, respectively. Customer advances totaled $874,280 as of April 1, 2022.

For startup services associated with the sale of the Company's absorption chillers, the amount of consideration to which the Company will be entitled is included in the total contract price and is not separately stated. Under some of the contracts, consideration/payment is contingent on the successful performance of the promised service. The Company estimates and accrues costs it expects to incur to complete startup of each absorption chiller it delivers. As startup services are rendered and actual costs are incurred, the startup accrual is reduced, with any final adjustments recorded when the performance obligation is complete. None of the Company's contracts have a significant financing component.

The Company offers no warranties related to the sale of its products. Any warranties on the absorption chillers are offered by and are the obligation of the manufacturer (Thermax Ltd.). In most cases, consideration paid for products and services that customers purchase from the Company is nonrefundable. Therefore, at the time revenue is recognized, the Company does not estimate expected refunds for services, nor does the Company exclude any such amounts from revenue.

The transaction price of a contract is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. Transaction prices do not include amounts collected on behalf of third parties (e.g., sales taxes).

To determine the transaction price of a contract, the Company considers the terms of the contract and its customary business practices. For the purpose of determining transaction prices, the Company assumes that the goods or services will be transferred to the customer as promised in accordance with existing contracts and that the contracts will not be canceled, renewed, or modified.

The Company's contracts with customers have fixed transaction prices that are payable in cash. A majority of the transaction price is allocated to chiller delivery, while the Company allocates a portion of the transaction price to the startup performance obligation equal to its anticipated direct costs for providing this service. The basis for this allocation is that the margin the Company is entitled to keep is related to the delivery of the chiller. The startup, while a separate performance obligation, does not have value that is contemplated in the contract price beyond the direct costs incurred by the Company.

The Company has elected all available and relevant practical expedients in its application of ASU No. 2014 09, *Revenue from Contracts with Customers (Topic 606)*. These include (1) recognition of the incremental costs of obtaining contracts as expenses when incurred and (2) treatment of shipping and handling activities that occur after the customer has obtained control of a good as a fulfillment cost rather than an additional promised service.

Notes to Financial Statements March 31, 2024 and 2023

Note 4 - Accounts Receivable

The following is the detail of accounts receivable

	2024	2023
Trade receivables	**$ 3,346,420**	$ 1,640,527
Trade receivables from related parties	**673,941**	1,822,623
Less reserve for credit loss	**133,947**	1,168,425
Net trade accounts receivable	**$ 3,886,414**	$ 4,631,575

The activity in the reserve for credit losses is as follows:

	2024	2023
Beginning balance	**$ 19,117**	$ 24,117
Additions charged to expense	**114,830**	-
Deductions/Write offs	**-**	(5,000)
Ending balance	**$ 133,947**	$ 19,117

Note 5 - Inventory

Inventory, net of reserves, at March 31, 2024 and 2023 consists of the following

	2024	2023
Traded goods - Ion exchange resins and spare parts	**$1,786,093**	$1,640,527
Goods in transit - Ion exchange resins and chemicals	**1,604,498**	1,822,623
Goods in transit - Chillers and spare parts	**808,663**	1,168,425
Total inventory	**$4,199,254**	$4,631,575

The Company maintains inventory of ion exchange resins and spare parts at third party warehouses located in various states. At March 31, 2024 and 2023, net inventory valued at $1,786,093 and $1,640,527, respectively, was located at third party warehouses.

At March 31, 2024 and 2023, the Company maintained a reserve for inventory obsolescence of $101,918 and $99,918, respectively.

Note 6 - Property and Equipment

Property and equipment at March 31, 2024 and 2023 are summarized as follows:

		2024		2023
Office equipment	$	**70,111**	$	64,694
Furniture and fixtures		**35,045**		35,045
Leasehold improvements		**9,379**		9,379
Total cost		**114,535**		109,118
Accumulated depreciation		**83,995**		70,816
Net property and equipment	$	**30,540**	$	38,302

Depreciation expense was $13,179 and $12,571 for the years ended March 31, 2024 and 2023, respectively.

Note 7 - Related Party Transactions

The following is a description of transactions between the Company and related parties:

Accounts Receivable and Advances

At March 31, 2024 and 2023, the Company had accounts receivable from related parties totaling $673,941 and $261,076, respectively, related to expenses paid by the Company on behalf of the related parties.

At March 31, 2024 and 2023, the Company had advances to related parties totaling $154,880 and $731,117, respectively. The advances represent deposits on the purchase of chillers for sale to the Company's customers.

Accounts Payable

At March 31, 2024 and 2023, the Company had accounts payable to related parties totaling $3,308,748 and $5,037,015, respectively.

Loan to Affiliate

At March 31, 2023, the Company had one loan receivable totaling $1,500,000 due from an affiliate bearing an interest rate of 2 percent, which matured and was repaid in January 2024. The note was unsecured.

Purchases

For the years ended March 31, 2024 and 2023, the Company had purchases of ion exchange resins, absorption chillers, and spare parts from Thermax Ltd. totaling $15,276,752 and $19,274,132, respectively.

Note 8 - Leases

The Company is obligated under operating leases primarily for office space and vehicles, expiring at various dates through June 2026. The weighted average remaining lease term was 1.56 years and 2.48 years at March 31, 2024 and 2023, respectively. The right of use asset and related lease liability have been calculated using discount rates ranging from 5.75 to 7.50 percent, which represent the Company's incremental borrowing rate. The weighted average discount rate for these leases was 5.91 percent at March 31, 2024 and 5.75 percent at March 31, 2023. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Variable lease payments are not included in the measurement of the right of use asset and lease liability. Operating lease expenses were $93,631 and $105,902 for the years ended March 31, 2024 and 2023, respectively. Operating lease cash flows were $97,110 and $68,630 for the years ended March 31, 2024 and 2023, respectively.

Future minimum annual commitments are as follows:

Years Ending March 31		Amount
2025	$	100,688
2026		39,205
2027		1,469
Total		141,362
Less amount representing interest		7,227
Present value of net minimum lease payments		134,135
Less current obligations		94,696
Long-term obligations under leases	$	39,439

Note 9 - Letter of Credit

The Company entered into a standby letter of credit with a bank in the amount of $1,727,000 on behalf of Thermax Ltd. to enable Thermax Ltd. to issue a bank guarantee to its customer. The letter of credit was secured by cash collateral. There were no claims under the letter of credit at March 31, 2023. The letter of credit was canceled during the year ended March 31, 2024.

Note 10 - Income Taxes

The components of the income tax provision included in the statement of operations are all attributable to continuing operations and are detailed as follows:

		2024		2023
Current income tax expense	$	**390,978**	$	439,053
Deferred income tax (recovery)		**(20,000)**		(31,000)
Total income tax expense	$	**370,978**	$	408,053

A reconciliation of the provision for income taxes to income taxes computed by applying the statutory United States federal rate to income before taxes is as follows:

	2024	2023
Income tax expense - Computed at 21 percent of pretax income	$ **328,342**	$ 374,689
State income taxes - Net of federal tax benefit	**36,215**	29,272
Nondeductible expenses and adjustments to prior year estimate - Net	**6,421**	4,092
Total income tax expense	$ **370,978**	$ 408,053

The details of the net deferred tax asset are as follows:

	2024	2023
Deferred tax assets:		
Inventory reserve	$ **21,000**	$ 21,000
Section 263A	**11,000**	9,000
Accrued bonuses	**27,000**	20,000
Other	**104,000**	94,000
Gross deferred tax assets	**163,000**	144,000
Deferred tax liabilities Depreciation	**6,000**	7,000
Net deferred tax asset	$ **157,000**	$ 137,000

No valuation allowance has been recognized for the deferred tax assets.

The Company files income tax returns in U.S. federal and various state jurisdictions. With few exceptions, the Company is no longer subject to income tax examinations by taxing authorities for years ended before March 31, 2020. There are no pending or ongoing tax examinations.

Note 11 - Segment Information

The Company has two reportable segments (1) chemical and (2) energy.

The chemical segment is engaged in the distribution of ion exchange resins, and the energy segment is engaged in the distribution of absorption chillers and the sale of spares. The two segments consist of distinct product lines that are managed separately, as each has different selling and distribution requirements.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 2. For the year ended March 31, 2024, all corporate expenses have been allocated to reportable segments based on their predetermined share of operating activities, which was 65 percent to the chemical segment and 35 percent to the energy segment. For the year ended March 31, 2023, the allocation was based on each reportable segment's proportionate share of operating activities, which was 69 percent to the chemical segment and 31 percent to the energy segment. Segment profit is based on operating profit before income taxes.

Intersegment charges for administrative services are allocated by management.

The following is summarized information about profit or loss, assets, and other information for each reportable segment for the years ended March 31, 2024 and 2023:

	2024	2023
Chemical Segment		
Revenue from external customers	$ **16,984,314**	$ 21,205,895
Other revenue	**312,390**	215,759
Segment pretax profit	**1,783,862**	1,405,309
Segment assets	**6,622,998**	6,477,776
Segment liabilities	**2,804,608**	3,159,202
Energy Segment		
Revenue from external customers	**6,309,444**	9,314,479
Other revenue	**85,245**	51,912
Segment pretax (loss) profit	**(220,331)**	378,926
Segment assets	**1,666,128**	3,740,408
Segment liabilities	**1,957,031**	3,888,011

The following are reconciliations from the segment information above to the amounts reported in the accompanying financial statements for the years ended March 31, 2024 and 2023

	2024	2023
Revenue by Country		
United States	$ **16,840,258**	$ 25,820,566
Mexico and South America	**2,927,924**	1,691,618
Canada	**328,467**	290,903
Other	**3,594,744**	2,984,958
Total revenue	$ **23,691,393**	$ 30,788,045
Assets		
Total assets for reportable segments	$ **8,289,126**	$ 10,218,184
Unallocated amounts	**8,883,287**	8,201,158
Total assets	$ **17,172,413**	$ 18,419,342
Liabilities		
Total liabilities for reportable segments	$ **4,761,639**	$ 7,047,213
Unallocated amounts	**220,635**	374,543
Total liabilities	$ **4,982,274**	$ 7,421,756

Revenue is allocated based on the geographic location of the customers.

Note 12 - Retirement Plans

The Company has a defined contribution profit sharing 401(k) plan covering substantially all employees. Company contributions are discretionary. The Company has the option to match up to 50 percent of an employee's deferral amount, not to exceed 4 percent of the employee's compensation. For the years ended March 31, 2024 and 2023, the Company made matching contributions totaling $51,138 and $52,678, respectively.

Note 13 - Contingencies and Settlements

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions, if any, will not materially affect the Company's financial statements, with the potential exception for the matter disclosed below.

The Company has been named as one of three parties in a lawsuit for breach of warranty and misrepresentation, as initiated by an entity that purchased a chiller from one of the Company's customers. Based on the opinion of the Company's legal counsel, it is possible the lawsuit will result in an unfavorable outcome to the Company. The estimated potential liability could range from $150,000 up to $1,535,000.

THERMAX DO BRASIL – ENERGIA E EQUIPAMENTOS LTDA.

Supervisory Board
Mr. B. Venkatesh
Mr. Sandeep Mandke

Registered Office
Av. Paulista, 37-04
ander-Edificio Pq
Cultureal Paulista
Sao Paulo, SP. Brazilo

Auditors
KANZK AVALIAÇÕES E
AUDITORIA EIRELI
CNPJ no. 23.429,508/0001-05
CRC- SP 2SP 025.442/O-3
São Paulo, Brazil

Bankers
Banco Citibank S. A.
Banco Real S. A.

AUDITORS' REPORT

To Quotaholders

Thermax do Brasil – Energia e Equipamentos Ltda.

São Paulo - SP

1. We have examined the balance sheet of **Thermax do Brasil – Energia e Equipamentos Ltda.,** as of March 31, 2024 and the related statements of income, changes in quotaholders' equity and changes in financial position for the period then ended, which are the responsibility of its management. Our responsibility is to express an opinion on these financial statements.

2. We conducted our audit in accordance with auditing standards generally accepted in Brazil and, accordingly, included: a) the planning of the audit work, considering the materiality of the balances, volume of transactions, and the system of internal controls of the Company; b) the verification on a test basis, of the evidence and records which support the values and information in the published financial statements; and c) evaluation of the accounting practices and the more material accounting estimates adopted by Company management as well as the presentation of the financial statements taken as a whole.

3. In our opinion, the financial statements referred in the paragraph 1 present fairly, in all material respects, the financial position of **Thermax do Brasil – Energia e Equipamentos Ltda.** as of March 31, 2024, and of the results of their operations, changes in their quotaholders' equity and changes in its financial position for the period then ended, in accordance with accounting principles generally accepted in Brazil.

KANZK AVALIAÇÕES E AUDITORIA EIRELI

CNPJ no. 23.429,508/0001-05

CRC- SP 2SP 025.442/O-3

São Paulo, Brazil

April, 17, 2024

THERMAX DO BRASIL – ENERGIA E EQUIPAMENTOS LTDA.

Statement of Income
For the year ended March 31, 2024

	2024		2023	
	BRL	**Rs Lacs**	BRL	Rs Lacs
GROSS INCOME				
Sale of services	**299,431**	**49.79**	115,748	18.78
	299,431	**49.79**	115,748	18.78
DEDUCTION FROM GROSS INCOMES				
Tax incident on sales	**(44,821)**	**(7.45)**	(17,158)	(2.78)
Gross profit	**254,610**	**42.34**	98,590	16.00
OPERATING EXPENSES				
General and administrative expenses	**(105,501)**	**(17.54)**	(85,929)	(13.94)
Financial (expenses)/ income	**(2,549)**	**(0.42)**	(3,373)	(0.55)
	(108,050)	**(17.97)**	(89,302)	(14.49)
Net Profit/Loss before Taxes	**146,560**	**24.37**	9,288	1.51
Taxes on income	**-**	**-**	-	-
Net Profit/(Loss)	**146,560**	**24.37**	9,288	1.51

Exchange Rate : As at 31 Mar 24 is 1 BRL = Rs 16.63

Exchange Rate : As at 31 Mar 23 is 1 BRL = Rs 16.23

Balance Sheet Year Ended March 31, 2024

	2024		2023	
	BRL	**Rs Lacs**	BRL	Rs Lacs
SOURCES OF FUNDS				
Shareholders' Funds :				
Share Capital	**1,087,130**	**180.77**	1,087,130	176.42
Accumulated losses	**(554,768)**	**(92.25)**	(701,329)	(113.81)
Total Funds Employed	**532,362**	**88.52**	385,801	62.61
APPLICATION OF FUNDS				
Current Assets:				
Cash & Banks	**132,704**	**22.07**	88,742	14.40
Trade receivables	**142,688**	**23.73**	100,514	16.31
(-) Provision for doubtful Debts	**(25,284)**	**(4.20)**	(25,284)	(4.10)
Recoverable taxes	**11,743**	**1.95**	11,743	1.91
(-) Provision for losses	**(10,941)**	**(1.82)**	(10,941)	(1.78)
Account Receivable (Intercompany)	**324,953**	**54.03**	242,552	39.36
	575,863	**95.76**	407,327	66.10
Less : Current Liabilities & Provisions				
Taxes payable	**37,132**	**6.17**	25,409	4.12
Other accounts payable	**16,297**	**2.71**	6,044	0.98
(-) Reversal Taxes (Bad Debts)	**(9,928)**	**(1.65)**	(9,928)	(1.61)
	43,502	**7.23**	21,525	3.49
Net Current Assets	**532,362**	**88.52**	385,801	62.61
Total Funds Applied	**532,362**	**88.52**	385,801	62.61

Statement of Changes in Quotaholders' Equity Year Ended March 31, 2024

	Capital		Accumulated losses		Total	
	BRL	**Rs Lacs**	**BRL**	**Rs Lacs**	**BRL**	**Rs Lacs**
Balances at April 1, 2023	1,087,130	180.77	(701,319)	(116.62)	385,811	64.15
Net Profit/ (Loss) for the period	-	-	146,560	24.37	146,560	24.37
Balances at March 31, 2024	**1,087,130**	**180.77**	**(554,758)**	**(92.25)**	**532,372**	**88.52**

See the accompanying notes to the financial statements

Statement of Changes in Financial Position
Year ended March 31, 2024

Sources	2024		2023	
	BRL	**Rs Lacs**	BRL	Rs Lacs
From Operations				
Net Profit/(loss) for the period	**146,560**	**24.37**	9,288	1.51
Expenses (incomes) that do not affect net working capital:				
Depreciation	**-**	**-**	-	-
Advance to Capital	**-**	**-**	-	-
Total sources	**146,560**	**24.37**	9,288	1.51
Applications	-	-	-	-
Reduction in net working capital	**146,560**	**24.37**	9,288	1.51

Statement of variation in net working capital

	31 March 2024		31 March 2023		Variation 2023	
	BRL	**Rs Lacs**	**BRL**	**Rs Lacs**	**BRL**	**Rs Lacs**
Current Assets	**575,863**	**95.76**	407,327	66.10	168,537	29.65
Current Liabilities	**43,502**	**7.23**	21,525	3.49	(21,977)	(3.74)
Net working capital	**532,362**	**88.52**	385,801	62.61	146,560	25.91

Notes to the Financial Statements Year Ended March 31, 2024
(Amounts in reais)

1. **Operational Context**

The Company is a subsidiary of Thermax Ltd which in turn is a subsidiary of RDA Holdings Private Limited, a Company incorporated in India. The Company's business activities mainly consist of rendering services, including technical assistance, which may be provided through hiring outsourced companies.

2. **Presentation of the Financial Statements**

The financial statements were prepared in accordance with accounting practices emanated from the Brazilian Corporation Law.

3. **Summary of the Significant Accounting Policies**

a. **Revenue and expenses recognition**

Income and expenses are recorded on monthly accrual basis.

b. **Current and long-term assets**

Current and long-term assets are recorded at lower of cost or market value plus accrued income until the end of the period. An allowance is recorded in case the market value is lower than cost.

c. **Current and long-term liabilities**

Liabilities are recorded at known or estimated amounts.

4. **Trade Receivables**

Description	2024	2023
Accounts receivable	142,687.95	100,514.35
(-)Provision for Doubtful Debts	(25,283.53)	(25,283.53)
Net accounts receivable	**117,404.42**	**75,230.82**

The Company decided to make a provision for accounts receivables due the uncertainty of recovery of receivables from Consulthermos.

5. **Accounts Receivable - Intercompany**

Description	2024	2023
Accounts receivable	324,952.71	242,552.34
Net accounts receivable	**324,952.71**	**242,552.34**

The amount of R$ 324.952,71 refers to invoices issued to Thermax LTD for the recovery of commercial expenses.

This value was checked with Thermax Ltd. and not present differences

6. **Recoverable Taxes**

Description	2024	2023
IRPJ – 2005	89.28	89.28
CSLL – 2005	10,851.37	10,851.37
IRRF – Authorized	802.03	802.03
	11,742.68	11,742.68
Provision for losses	**(10,940.65)**	**(10,940.65)**
Net	**802.03**	**802.03**

The value of the recoverable taxes basically represents withholding taxes by the Customers. The possibility of setting off the recoverable taxes was authorized by Federal Authorities in May,2013.

7. **Taxes and Contributions payable**

Description	2024	2023
PIS	4,396.33	3,005.20
COFINS	28,567.75	20,320.88
ISS – SALES	4,168.16	2,082.69
(-)Reversal – Taxes – Bad Debts	(9,927.66)	(9,927.66)
Net Taxes and Contributions payable	**27,204.58**	**15,481.11**

The above balances were compared with the tax books of the Company and subsequent events and do not present differences.

The Company recorded a reversal of taxes payable in view of the uncertainty of recovery of receivables from Consulthermos.

8. **Other liabilities**

Description	2024	2023
Rent	2,073.14	1,800.00
Reimbursment – Mr.Felipe	12,224.17	2,244.22
Audit Fees	2,000.00	2,000.00
TOTAL	**16,297.31**	**6,044.22**

9. **Capital Social**

The paid-in Capital is represented by R$ 1.087.130,00 with nominal value of R$ 1,00 (one real) each.

10. **Services**

The company's total sales from services amounted to R$ 299.430,74 as presented below:

Description	2024	2023
Services Sales	299,430.74	115,748.13
Net sales	**299,430.74**	**115,748.13**

The services sales amounts were checked against the company's tax books and do not present differences.

11. **Taxes incident on Services**

The company's total taxes related to service, amounted to R$ 44.820,94, as presented below:

Description	2024	2023
ISS - SALES	17,123.69	6,543.46
COFINS – SALES	22,756.66	8,704.66
PIS – SALES	4,940.59	1,909.82
TOTAL	**44,820.94**	**17,157.94**

12. **Operating Expenses**

The composition of the "Operating Expenses" account is presented below:

Description	2024	2023
Rents/Condominium	26,393.68	24,907.29
Accounting Outsourcing	46,800.00	41,600.00
Third Party Services	30,307.00	17,421.88
Auditory	2,000.00	2,000.00
Total	**105,500.68**	**85,929.17**

13. **Financial (expenses) income**

The balance of the Financial (expenses) income and exchange variation income account is presented below:

Description	2023	2024
Bank Expenses	(3,399.28)	(3,373.19)
Finance Income		
Exchange Variation	850.34	0
Total	**(2,548.94)**	**(3,373.19)**

14 . **Identified Contingencies**

There are no identified tax and accounting contingencies for the year ended on March 31, 2024 (Previous Year Nil)

KANZK AVALIAÇAO E AUDITORIA EIRELI
CNPJ no. 23.429,508/0001-05
CRC- SP 2SP 025.442/O-3
São Paulo, Brazil
April, 17, 2024

THERMAX NETHERLANDS B.V.

Board of Directors	***Registered Office***	***Audiors***	***Bankers***
S.V. Dhumane TMF Netherlands B. V.	Herikerbergweg 238, Luna Arena, 1101 CM Amsterdam Zuidoost, The Netherlands.	HLG audit B.V. Fokkerstraat 12 3833 LD Leusden The Netherlands	Citi Bank, Netherlands

INDEPENDENT AUDITORS' REPORT

To: Board of Directors of Thermax Netherlands B.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2024 INCLUDED IN THE ANNUAL REPORT

OUR OPINION

We have audited the financial statements of 31 March 2024 of Thermax Netherlands B.V. ('the Company'), based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Thermax Netherlands B.V. as at 31 March 2024 and of its result for 2023-24 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the Company balance sheet as at 31 March 2024;
2. the Company profit and loss account for 2023-24; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our Responsibilities for the Audit of the Financial Statements' section of our report.

We are independent of Thermax Netherlands B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements
- contains the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Concluding 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 a company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

- Evaluating whether the 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 findings in internal control that we identify during our audit.

Leusden, 20 June 2024

HLG audit B.V.

THERMAX NETHERLANDS B.V.

Balance sheet as at 31 March, 2024

(Before appropriation of result)

	Note No	As at March 31, 2024		As at March 31, 2023	
		Euro	Rs Lacs	Euro	Rs Lacs
Non-Current assets:					
Financial assets:					
Investment in participation	1	**3,246,306**	**2,923.20**	3,246,306	2,891.12
		3,246,306	**2,923.20**	3,246,306	2,891.12
CURRENT ASSETS:					
Receivable					
Prepaid expenses		**19,134**	**17.23**	18,567	16.54
Cash and cash Equivalents	2	**252,860**	**227.69**	71,422	63.61
		3,518,300	**3,168.12**	3,336,295	2,971.26
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY:	3				
Paid-in and called-up share capital		**32,410,000**	**29,184.23**	32,410,000	28,863.91
Other Reserves	4	**300,000**	**270.14**	-	-
Accumulated result		**(29,149,999)**	**(26,248.69)**	(29,058,206)	(25,878.84)
Result for the year		**(77,714)**	**(69.98)**	(91,793)	(81.75)
		3,482,287	**3,135.69**	3,260,001	2,903.31
Current liabilities:					
Trade payables	5	**-**	**-**	33,452	29.79
Accruals expenses	6	**36,013**	**32.43**	42,842	38.15
		36,013	**32.43**	76,294	67.95
		3,518,300	**3,168.12**	3,336,295	2,971.26

Exchange Rate as on 31 March 2024 is 1 Euro = 90.0470

Exchange Rate as on 31 March 2023 is 1 Euro = 89.0586

Income statement for the period 01-04-2023 until 31-03-2024

	Note No	01-04-23/31-3-2024		01-04-22/31-3-2023	
		Euro	Rs Lacs	Euro	Rs Lacs
General and administration expenses	7	**81,248**	**73.16**	92,581	82.45
Net Operating result		**(81,248)**	**(73.16)**	(92,581)	(82.45)
Other Interest and Similar income	8	**3,534**	**3.18**	788	0.70
Total of result before tax		**(77,714)**	**(69.98)**	(91,793)	(81.75)
Income tax expense		-	-	-	-
Total of result after tax		**(77,714)**	**(69.98)**	(91,793)	(81.75)

Statement of Changes in Equity for the period ended March 31, 2024

	Issued share capital		Other reserves		Accumulated results		Result for the year		Total	
	Euro	Rs Lacs	Euro	Rs Lacs	Euro	Rs Lacs	Euro	Rs Lacs	Euro	Rs Lacs
Balance as at 1 April 2023	32,410,000	29,184.23	-	-	(29,058,206)	(26,166.04)	(91,793)	(82.66)	3,260,001	2,935.53
Share application money	-	-	300,000	270.14	-	-	-	-	300,000	270.14
Appropriation of prior year result	-	-	-	-	(91,793)	(82.66)	91,793	82.66	-	-
Result for the year	-	-	-	-	-	-	(77,714)	(69.98)	(77,714)	(69.98)
Balance as at 31 March 2024	**32,410,000**	**29,184.23**	**300,000**	**270.14**	**(29,149,999)**	**(26,248.69)**	**(77,714)**	**(69.98)**	**3,482,287**	**3,135.69**

Cash flow statement for the period 01-04-2023 until 31-03-2024

	Note	01-04-23/31-3-2024		01-04-22/31-3-2023	
		Euro	Rs Lacs	Euro	Rs Lacs
Total of cash flows (used in) from Operating activities					
Operating results		(81,248)	(73.16)	(92,581)	(82.45)
Changes in working capital:					
(Increase) decrease in receivables		(567)	(0.51)	(2,414)	(2.15)
(Decrease) increase in payables		(40,281)	(36.27)	41,594	37.04
		(40,848)	(36.78)	39,180	34.89
Total of cash flows (used in) from operations		(122,096)	(109.94)	(53,401)	(47.56)
Interest received	8	3,534	3.18	788	0.70
Total of cash flows (used in) from Operating activities		(118,562)	(106.76)	(52,613)	(46.86)
Total of cash flows (used in) from Financing activities					
Share application money		300,000	270.14	-	-
Total of increase (decrease) in cash and cash equivalents		181,438	160.20	(52,613)	(47.56)
Movement in cash and cash equivalents					
Cash and cash equivalents at the beginning of the period		71,422	64.31	124,035	110.46
Increase (decrease) in cash and cash equivalents		181,438	163.38	(52,613)	(46.86)
Cash and cash equivalents at the end of the period		252,860	227.69	71,422	63.61

THERMAX NETHERLANDS B.V.

Notes to financial statements for the year ended March 31, 2024

General notes

The most important activities of the entity

Thermax Netherlands B.V. (hereinafter 'the Company'), a private limited liability company, having its statutory seat in Amsterdam and its place of business at Herikerbergweg 238, 1101CM, Amsterdam, the Netherlands, was incorporated under the laws of the Netherlands on 5 November 2010 and is registered at the trade register under number 51219352. The Company is a wholly owned subsidiary of publicly listed Thermax Limited, registered in Chinchwad Pune, India.

The principal activity of the Company is to act as a holding company.

The Company qualifies as a micro-sized entity but applies the requirements of a small-sized entity in its annual report.

Since the Company qualifies as a micro-sized entity, it is consequently not required to have its accounts audited. However, the management has preferred to opt for a voluntary audit for the Company.

Since the Company qualifies as a micro entity, it is, consequently, not required to have its accounts audited as provided for in Article 395A, Paragraph 6, Part 9, Book 2 of the Dutch Civil Code.

The Company has made use of the exemption allowed by Article 395A, Paragraph 6, Part 9, Book 2 of the Dutch Civil Code in not presenting a Management Board's report.

In view of the international operations of the group of which the Company forms part, the annual accounts have been drawn up in EUR.

Disclosure of going concern

Despite the accumulated deficit and loss for the year, Management is confident the Company is able to continue as a going concern, considering its overall equity position. Currently there are no plans to sell the shares of or any assets of the Company.

These financial statements have been prepared based on going concern basis. The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

We have assessed the Group's and the Company's ability to continue as going concern, taking into account all relevant information about the future on the Company's activities and cash flows, which covers a period of at least, but not limited to, 12 months from the balance sheet date. Accordingly, Management is confident the Company is able to continue as a going concern.

Disclosures about estimates, judgements, assumptions and uncertainties

In applying the principles and policies for drawing up the financial statements, the directors of the Company make different estimates and judgments that may be essential to the amounts disclosed in the annual accounts. If it is necessary in order to provide the transparency required under Book 2, Article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the change accounting estimates, or in the notes to the relevant balance sheet or profit and loss item.

The exemption of consolidation

Consolidation has not taken place since the Company makes use of Article 408, Part 9, Book 2 of the Dutch Civil Code and consequently will file the consolidated financial statements of its parent company Thermax Limited, Chinchwad Pune, India with the commercial register in the Netherlands.

General accounting principles

The accounting standards used to prepare the financial statements

The annual accounts have been drawn up in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands, as published by the Dutch Accounting Standards Board.

Conversion of amounts denominated in foreign currency

All monetary assets and liabilities expressed in currencies other than Euro ('EUR') have been translated at the rates of exchange prevailing at the balance sheet date, whereas non-monetary assets expressed in currencies other than EUR are translated at historical rates. All transactions in foreign currencies have been translated into EUR at the rates of exchange approximating those ruling at the date of the transactions. Resulting exchange differences have been recognised in the profit and loss account.

Financial instruments

Financial instruments comprise other receivables, cash and cash equivalents, payables to group company, and trade and other payables. With the exception of cash and cash equivalents, financial instruments are initially measured at fair value, which includes attributable transaction costs. Subsequent to initial measurement, these items are stated at amortised cost. Cash and cash equivalents are measured at nominal value.

Unless otherwise stated, all assets and liabilities are valued at historical cost.

Accounting principles

Financial assets

Investments in participations are stated at the lower of the historical cost or the net realisable value (historical cost less impairment).

Income from participations is recognised only to the extent of dividends declared.

Impairment of financial assets

On each balance sheet date the Company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use.

An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than twelve months. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

Accounting principles for determining the result

The result is the difference between the realisable value of any income received and the costs and other charges incurred during the year. The results on transactions are recognised in the year in which they are realised.

General and administrative expenses

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

Notes to financial statements for the year ended March 31, 2024

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate..

1 Investment in participation

At balance sheet date, the Company owned 100% in Thermax Denmak ApS, Herning, Denmark (2022/2023:100%).

The movement in this balance during the year under review are as follows:

	01-04-2023 / 31-03-2024	01-04-2022/ 31-03-2023
	EUR	EUR
Historic cost	**31,781,767**	31,781,767
Provision for Impairment	**(28,535,461)**	(28,535,461)
Balance as at 31 March	**3,246,306**	3,246,306

The Net Equity Value of the Subsidiary Thermax Denmark ApS as on March 31, 2024, is EUR 7.583 million. A fair valuation of the subsidiary carried out in accordance with Foreign Exchange Management (Overseas Investment) Rules, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022, as on January 02, 2024, shows a fair value of Thermax Denmark ApS for EUR 32.187 million.

Thermax Denmark ApS is a holding company and holds shares in Danstoker A/S, Boilerworks A/S, and Ejendomsanpartsselskabet Industrivej Nord 13, all of which are registered in Denmark.

Thermax Denmark ApS was incorporated on 29 October 2010. On 8 November 2010, the Company subscribed for 74,920,000 newly issued shares in Thermax Denmark ApS with a nominal value of DKK 1 each. The total consideration involved was EUR 20,000,000.

On 22 June 2011, the Company acquired the remaining 80,000 shares in Thermax Denmark ApS with a nominal value of DKK 1 each, rendering its total shareholding in the participation to 100%. The total consideration involved was EUR 21,767.

Additional investments in this participation have taken place since then, as follows:

- Investment of EUR 2,000,000 on 19 April 2017.
- Investment of EUR 5,400,000 on 11 March 2019.
- Investment of EUR 2,850,000 on 13 July 2020.
- Investment of EUR 1,010,000 on 9 April 2021.
- Investment of EUR 500,000 on 16 September 2021.

The total amount invested in the participation as at 31 March 2024 was EUR 31,781,767 (31 March 2023: EUR 31,781,767).

Every financial year Management compares the carrying amount of the investment in Thermax Denmark ApS with its recoverable amount based on future cash flows. No impairment indicators were identified during the financial year ended 31 March 2024.

During the financial year ended 31 March 2019, an impairment of EUR 19,231,767 was levied on this investment in view of its recoverable amount being lower than the cost value at balance sheet date. During the financial year ended 31 March 2021, a further impairment of EUR 9,303,694 was levied on this investment in view of its recoverable amount being lower than the cost value at balance sheet date.

2 Cash and cash equivalents

The Company maintains a bank account denominated in EUR with Citibank N.A., the balance of which is available on demand.

3 Shareholder's equity

The Company's issued and fully paid-up share capital as at 31 March 2024 amounted to EUR 32,410,000, consisting of 32,410,000 shares of EUR 1 each (31 March 2023: 32,410,000 shares at EUR 1 each).

The movements in shareholder's equity during the year under review were as follows:

	Paid-in and called-up share capital	Other reserves	Accumulated results	Result for the year	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at 1 April 2023	32,410,000	-	(29,058,206)	(91,793)	3,260,001
Share application money	-	300,000	-	-	300,000
Appropriation of prior year result	-	-	(91,793)	91,793	-
Result for the year	-	-	-	(77,714)	(77,714)
Balance as at 31 March 2024	**32,410,000**	**300,000**	**(29,149,999)**	**(77,714)**	**3,482,287**

The Company amended its articles of association on 30 March 2021 by a Deed of Amendment in order to change its authorised share capital from 30,000,000 shares of EUR 1 each to unlimited authorised capital in accordance with current Dutch legislation.

Statement of the proposed appropriation of the result

Management proposes that the result for the year will be added to the accumulated results. This proposal has not yet been reflected in the balance sheet.

4 Other reserves

	31-03-2024	31-03-2023
	EUR	EUR
Other legal reserves	**300,000**	-

Other legal reserves

	31-03-2024	31-03-2023
	EUR	EUR
Balance as at 1 April	**-**	-
Share application money	**300,000**	-
Balance as at 31 March	**300,000**	-

5 Trade payables

	31-03-2024	31-03-2023
	EUR	EUR
Trade creditors	**-**	33,452

6 Accrued expenses

	31-03-2024	31-03-2023
	EUR	EUR
Accrued audit fees	**17,500**	30,500
Accrued tax advisory fees	**18,513**	12,342
	36,013	42,842

7 General and administrative expenses

	1-4-2023/ 31-03-2024	1-4-2022/ 31-03-2023
	EUR	EUR
General and administrative expenses	**81,248**	92,581

General and administrative expenses

	1-4-2023/ 31-03-2024	1-4-2022/ 31-03-2023
	EUR	EUR
Management fee	**6,050**	6,050
Accounting fees	**44,423**	38,722
Audit fees	**23,117**	30,185
Tax advisory fees	**6,171**	16,054
Bank charges	**1,487**	1,570
	81,248	92,581

8 Other interest and similar income

	1-4-2023/ 31-03-2024	1-4-2022/ 31-03-2023
	EUR	EUR
Received bank interest	**3,534**	788

Disclosure of income tax expense

At balance sheet date the Company had accumulated losses carried forward of EUR 29,149,999 (2022/2023: EUR 29,058,206). Considering it is not probable that future taxable profits will be available against which they can be utilised, a deferred tax asset has not been recognised in this respect.

Other notes

Average number of employees

During the year ending 31 March 2024 no employees were employed (2023: nil).

Remuneration of managing and supervisory directors

Disclosure of remuneration of managing and supervisory directors

The Company has two directors (2022/2023: two).

During the year under review TMF Netherlands B.V. invoiced the Company EUR 50,472 (2022/2023: EUR 44,772), which amongst other services rendered, includes the fees for them acting as Director A of the Company.

The Company has no Supervisory Directors.

Subsequent events

Disclosure of subsequent events

On 2 April 2024, the Company issued 300,000 shares in the capital of the Company to the shareholder with the obligation for the shareholder to pay the amount of EUR 300,000 in cash.

Subsequent events

Disclosure of subsequent events

To date, no subsequent events have occurred which may have an effect on the financial position of the Company after balance sheet date of 31 March 2023.

Amsterdam, 20 June 2024

TMF Netherlands B.V.	Mr. Swapnil Vitthal Dhumane
Director A	Director B

Statutory provision regarding appropriation of result

Under the restriction that Dutch law prescribes that any profit distribution may only be made to the extent that the shareholder's equity exceeds the amount of the issued capital and the legal and/or statutory reserves, the remaining reserves and unappropriated results are, in accordance with article 26 of the Company's articles of association, at the disposal of the General Meeting of the Shareholder.

Management proposes that the result for the year will be added to the accumulated results. This proposal has not yet been reflected in the balance sheet.

Independent auditor's report

The independent auditor's report of the Company's auditor is set forth on the next pages of the annual report.

THERMAX DENMARK APS

Board of Directors	***Registered Office***	***Auditors***	***Bankers***
Mahesh Channakeshaviah Bukinkere Swapnil Vitthal Dhumane	Industrivej Nord 13 DK-7400 Herning	Ernst & Young Godkendt Revisionspartnerselskab Bavnehøjvej 5 DK 6700 Esbjerg.	Citi Bank

Management Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Thermax Denmark ApS for the financial year 1 April 2023 - 31 March 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herning, 6 June 2024

Executive Board:

Swapnil Vitthal Dhumane
CEO

Board of Directors:

Mahesh Channakeshaviah Bukinkere
Chairman

Independent Auditor's Report

To the shareholder of Thermax Denmark ApS

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Thermax Denmark ApS for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2024 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group´s and the Parent 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 in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 ISAs and the additional requirements applicable in Denmark 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 and the Parent Company Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the Parent Company´s internal control.

- 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 in preparing the Consolidated Financial Statements and the Parent Company Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Parent 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 Consolidated Financial Statements and the Parent Company 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 the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Esbjerg,

Date : 6 June 2024

EY

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Claes Jensen

State Authorised Public

Accountant mne44108

Company Information

The Company	Thermax Denmark ApS
	Industrivej Nord 13, DK 7400 Herning
CVR no.	33 25 57 48
Financial year	1 April 2023 - 31 March 2024
Incorporated	29 October 2010
Municipality of reg. office.	Herning
Board of Directors	Mahesh Channakeshaviah Bukinkere, Chairman
Executive Board	Swapnil Vitthal Dhumane
Auditors	EY
	Godkendt Revisionspartnerselskab Bavnehøjvej 5
	6700 Esbjerg

Group Chart

Company	Residence	Ownership
Thermax Denmark ApS	**Herning, Denmark**	**100**
Ejendomsanpartsselskabet Industrivej Nord 13	Herning, Denmark	100
Boilerworks A/S	Herning, Denmark	100
Danstoker A/S	Herning, Denmark	100
Danstoker Poland Sp. Z.o.o.	Ostrowiec, Poland	100

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

DKKm	2023/ 24	2022/ 23	2021/ 22	2020/ 21	2019/ 20
Key figures					
Profit/loss					
Gross profit	65	33	38	10	24
Profit/loss of primary operations	29	4	8	-39	-29
Profit/loss of financial income and expenses	-3	-2	-2	-2	-3
Profit/loss before tax	26	2	6	-40	-30
Net profit/loss for the year	23	2	5	-38	-26
Balance sheet					
Balance sheet total	193	164	143	142	181
Investment in property, plant and equipment	1	2	1	0	1
Equity	57	31	28	19	29
Cash flows					
Cash flows from:					
- operating activities	18	17	-3	-22	-14
- investing activities	-1	-2	-1	-2	3
- financing activities	-3	-9	2	25	9
Change in cash and cash equivalents for the year	14	6	-2	1	-2
Number of employees	236	219	212	253	281
Ratios					
Solvency ratio	29.5%	18.9%	19.6%	13.4%	16.0%
Return on equity	52.3%	6.8%	21.3%	-158.3%	-60.5%

Management's Review

Key Activities

Thermax Denmark ApS is a wholly owned subsidiary of Thermax Netherlands B.V., which in turn is wholly owned by Thermax Ltd., an Indian publicly listed company. The ultimate holding company of Thermax Ltd. is RDA Holdings Private Limited, Pune, India.

The main activity of the company is owning shares in the fully-owned subsidiaries Danstoker A/S, Boilerworks A/S and Ejendomsanpartssselskabet Industrivej Nord 13 (estate company). All operational activities take place within these respective subsidiaries.

Danstoker A/S is the parent company of Danstoker Poland Sp. Z o.o.

The primary activities within Thermax as under the label of Danstoker. The Danstoker Group designs, produces and sells boilers and relevant equipment to the energy market, including rebuilding and servicing of boilers. The product range of the Danstoker Group is continuously adapted to the 4 energy categories:

1. Solid fuel market, mainly based biofuels
2. Combined heat and power market
3. Exhaust gas market
4. Oil/gas market

The activity of "Ejendomsanpartsselskabet Industrivej Nord 13" is to own and lease estate. The service activities in Boilerworks were sold at 1st November 2020. Only few projects need to be finally closed.

Development in the year

Danstoker A/S is highly impacted by the decision in Europe to move away from dependency of Russian gas and at the same time also the high focus on moving away from fossil fuels towards a more environmentally friendly energy production.

Our production in both Herning and Ostrowiec has been running throughout the year on full capacity. It has been difficult to find skilled welders all over Europe. The reason is that all Ukraine welders previously working abroad is back in Ukraine to take part in the war. This has resulted in issues with on time delivery. Order intake has been on a as high level as last year. There is a high demand for biomass fired plants to substitute gas fired plants. Order intake on biomass plants is up with >50% compared to before start of the war in Ukraine. Present backlog is almost on same extraordinary high level as last year's highest in history for Danstoker. We have orders as far out as end 2025.

Danstoker has been able to maintain its position as the absolute market-leader within medium-sized biofuel boilers in Scandinavia. 65% of the turnover is within this segment.

Within the shrinking market of oil and gas-fired boilers, Danstoker has maintained its position in the primary markets, and with the setup in Poland we are in the process of developing a stronger position in the eastern part of Europe. 14% of the turnover is within this segment.

The waste heat recovery boiler market consists primarily of stainless-steel economizers and is 5% of turnover.

The market segments for electrical boilers are expected to increase significantly over the coming years. For now, it represents 4% of turnover.

The market for Service of boilers has maintained its level of 12% of turnover.

Danstoker has started up within the waste incineration market and has delivered the first two big units to two different places in Norway burning municipal solid waste.

Compared to last year the revenue has increased with 36% especially due to the positive development within the biomass segment. The achieved results of the primary operation are above expectations.

Also, the Polish facility have had higher activity than last year and are up with 9%.

Profit for the year before tax amount DKK 26,155 thousand and after-tax amounts to DKK 22,944 thousand. Tax on profit for the year is positive impacted by change of accounting estimate as deferred taxes in Poland is activated with 1.386 kPLN.

The total number of employees by end of financial year is 115 in Denmark and 121 in Poland.

Targets and expectations for the year ahead

The overall volume of orders of the Danstoker Group at the end of the financial year is very satisfactory.

It is the aim of the Danstoker Group to create 2 profitable, strong sales and production companies in Danstoker A/S and Danstoker Poland Sp. z o.o., all as an attractive workplace with competent employees, based on competitive products sold to professional co-operation partners and customers in selected markets where such products are supplied in the quality and at the time and price agreed.

It is also the Group's aim to achieve optimal utilization of the production facilities.

It is not yet known to what extent the war in Ukraine will continue to impact the company. For now, we see very good order booking in the biomass segment as there is a high focus to move away from gas fired plants, even that the gas prices have come down again. However, Danstoker Group will continue to monitor the situation to ensure the Company remains flexible in its ability to respond to changing circumstances.

Besides the above mentioned the Management of the Group is of the opinion that it is not faced with special long-term risks, neither in terms of its markets, nor otherwise.

The growing, necessary, political focus on CO2 on a global scale will in the long term contribute to making our CO2-neutral products within biofuels and electrical boilers even more relevant and will contribute to securing the Danstoker Group's continued positive development.

With all the initiatives taken the profit before tax for the financial year 2024/25 is expected to be around 20 mDKK.

External environment

Danstoker A/S is devoted to environmental issues and is constantly striving to reduce the environmental impact resulting from the operations of the Company. The Company has no outstanding issues with the environmental authorities in complying with environmental permits and other environmental regulations. Danstoker A/S holds a ISO 14001 certificate.

Danstoker A/S has decided for the coming years to focus on 4 of United Nations Sustainable Development Goals: "7 Affordable and clean energy", "9 Industry, Innovation and infrastructure", "12 Responsible consumption and production" and "13 Climate action".

In the coming period the Company will have special attention to reduce the consumption of energy during manufacturing, optimizing the design to reduce material use and better waste management to recycle more material. Furthermore, a project is running with the local university with focus on mental health in Danstoker.

In relation to Code of Conduct Danstoker has decided to lean towards UN Global Compact's ten principles for responsible business conduct.

Subsequent events

The Management is of the opinion that from the balance sheet date until today, no events have occurred which could alter the assessment of the annual report substantially.

THERMAX DENMARK APS

Balance Sheet 1 April 2023 - 31 March 2024

	Notes	2023/24		2022/23		2023/24		2022/23	
		Consolidated		Consolidated		**Parent Company**		Parent Company	
		DKK'000	**Rs. Lacs**	DKK'000	Rs. Lacs	**DKK'000**	**Rs. Lacs**	DKK'000	Rs. Lacs
ASSETS									
Completed development projects		-	-	-	-	-	-	-	-
Acquired other similar rights		-	-	84	10.05	-	-	-	-
Goodwill		-	-	-	-	-	-	-	-
Intangible assets	6	-	-	84	10.05	-	-	-	-
Land and buildings		**36,819**	**4,443.21**	37,134	4,440.89	-	-	-	-
Plant and machinery		**3,610**	**435.64**	4,453	532.54	-	-	-	-
Other fixtures and fittings, tools and equipment		**124**	**14.96**	199	23.80	-	-	-	-
Property, plant and equipment	7	**40,553**	**4,893.81**	41,786	4,997.23	-	-	-	-
Investments in subsidiaries	8	-	-	-	-	**99,054**	**11,953.54**	71,231	8,518.59
Fixed Asset Investments		-	-	-	-	**99,054**	**11,953.54**	71,231	8,518.59
Fixed assets		**40,553**	**4,893.81**	41,870	5,007.28	**99,054**	**11,953.54**	71,231	8,518.59
Raw materials and consumables		**31,252**	**3,771.40**	32,615	3,900.46	-	-	-	-
Work in progress		**3,104**	**374.58**	2,888	345.38	-	-	-	-
Finished goods and goods for resale		**14,072**	**1,698.17**	1,468	175.56	-	-	-	-
Inventories		**48,428**	**5,844.15**	36,971	4,421.40	-	-	-	-
Trade receivables		**12,384**	**1,494.46**	12,383	1,480.90	-	-	-	-
Contract in progress	9	**62,255**	**7,512.75**	59,626	7,130.73	-	-	-	-
Receivables from group enterprises		**784**	**94.61**	607	72.59	**536**	**64.68**	903	107.99
Other receivables		**2,482**	**299.52**	2,791	333.78	-	-	-	-
Deferred Tax assets	11	**1,847**	**222.89**	-	-	**595**	**71.80**	502	60.03
Corporation tax receivable		**155**	**18.70**	92	11.00	**155**	**18.70**	92	11.00
Prepayments	10	**2,020**	**243.77**	1,337	159.89	-	-	-	-
Receivables		**81,927**	**9,886.70**	76,836	9,188.89	**1,286**	**155.19**	1,497	179.03
Cash at bank and in hand		**21,979**	**2,652.36**	8,258	987.58	-	-	160	19.13
Current assets		**152,334**	**18,383.21**	122,065	14,597.88	**1,286**	**155.19**	1,657	198.16
Assets		**192,887**	**23,277.02**	163,935	19,605.15	**100,340**	**12,108.73**	72,888	8,716.75

	NOTE	2023/24 Consolidated DKK'000	2023/24 Consolidated Rs. Lacs	2022/23 Consolidated DKK'000	2022/23 Consolidated Rs. Lacs	2023/24 Parent Company DKK'000	2023/24 Parent Company Rs. Lacs	2022/23 Parent Company DKK'000	2022/23 Parent Company Rs. Lacs
LIABILITIES AND EQUITY									
Share capital		**130,000**	**15,688.01**	130,000	15,546.83	**130,000**	**15,688.01**	130,000	15,546.83
Reserve for hedging transactions		**-**	**-**	948	113.37	**-**	**-**	-	-
Reserve for exchange rate conversion		**1,791**	**216.13**	(921)	(110.14)	**-**	**-**	-	-
Retained earnings		**(75,220)**	**(9,077.32)**	(99,194)	(11,862.71)	**(73,429)**	**(8,861.19)**	(99,167)	(11,859.48)
Equity		**56,571**	**6,826.82**	30,833	3,687.35	**56,571**	**6,826.82**	30,833	3,687.35
Provision for deferred tax	11	**5,982**	**721.89**	901	107.75	**-**	**-**	-	-
Other provisions	12	**1,847**	**222.89**	1,251	149.61	**-**	**-**	-	-
Provisions		**7,829**	**944.78**	2,152	257.36	**-**	**-**	-	-
Mortgage loans		**9,799**	**1,182.51**	6,257	748.28	**-**	**-**	-	-
Lease Obligations		**409**	**49.36**	964	115.29	**-**	**-**	-	-
Long-term Debt	13	**10,208**	**1,231.87**	7,221	863.57	**-**	**-**	-	-
Mortgage loans	13	**314**	**37.89**	1,449	173.29	**-**	**-**	-	-
Credit institutions		**10,500**	**1,267.11**	4,537	542.58	**-**	**-**	-	-
Lease Obligations	13	**198**	**23.89**	657	78.57	**-**	**-**	-	-
Trade payables		**23,361**	**2,819.14**	34,290	4,100.78	**-**	**-**	-	-
Contract work in progress	9	**37,632**	**4,541.32**	34,389	4,112.62	**-**	**-**	-	-
Payable to group enterprises		**14,779**	**1,783.49**	25,628	3,064.88	**43,729**	**5,277.08**	41,979	5,020.31
Other payables		**31,495**	**3,800.72**	22,779	2,724.16	**40**	**4.83**	76	9.09
Short term debt		**118,279**	**14,273.55**	123,729	14,796.88	**43,769**	**5,281.91**	42,055	5,029.40
Debt		**128,487**	**15,505.43**	130,950	15,660.44	**43,769**	**5,281.91**	42,055	5,029.40
Liabilities & Equity		**192,887**	**23,277.02**	163,935	19,605.15	**100,340**	**12,108.73**	72,888	8,716.75

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Exchange rate: as at 31 March 2024 is 1 DKK = Rs 12.0677

Exchange rate: as at 31 March 2023 is 1 DKK = Rs 11.9591

Income Statement 1 April 2023 - 31 March 2024

	Notes	2023/24 Consolidated DKK'000	2023/24 Consolidated Rs. Lacs	2022/23 Consolidated DKK'000	2022/23 Consolidated Rs. Lacs	2023/24 Parent Company DKK'000	2023/24 Parent Company Rs. Lacs	2022/23 Parent Company DKK'000	2022/23 Parent Company Rs. Lacs
Gross profit		**65,433**	**7,896.26**	32,834	3,926.65	**-**	**-**	-	-
Distribution expenses		**(14,894)**	**(1,797.36)**	(9,781)	(1,169.72)	**-**	**-**	-	-
Administrative expenses	1	**(21,557)**	**(2,601.43)**	(18,677)	(2,233.60)	**(105)**	**(12.67)**	(144)	(17.22)
Profit/loss before net financial income and expense		**28,982.00**	**3,497.46**	4,376.00	523.33	**(105)**	**(12.67)**	(144)	(17.22)
Income from investments in subsidiaries		**-**	**-**	-	-	**24,565**	**2,964.43**	2,922	349.44
Financial income	2	**488**	**58.89**	363	43.41	**274**	**33.07**	104	12.44
Financial expenses	3	**(3,315)**	**(400.04)**	(2,224)	(265.97)	**(2,247)**	**(271.16)**	(561)	(67.09)
Profit/loss before tax		**26,155**	**3,156.31**	2,515	300.77	**22,487**	**2,713.66**	2,321	277.57
Tax on profit/loss for the year	4	**(3,211)**	**(387.49)**	(62)	(7.41)	**457**	**55.15**	132	15.79
Profit/loss for the year	5	**22,944**	**2,768.81**	2,453	293.36	**22,944**	**2,768.81**	2,453	293.36

THERMAX DENMARK APS

Statement of Changes in Equity for the period 1st April 2023 to 31st March 2024

Group

	Share capital		Reserve for hedging transactions		Reserve for exchange rate conversion		Retained earnings		Total	
	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs
Equity at 1 April, 2023	130,000	15,688.01	948	114.40	(921)	(111.14)	(99,194)	(11,970.43)	30,833	3,720.83
Exchange adjustments	-	-	-	-	2,712	327.28	-	-	2,712	327.28
Fair value adjustment of hedging instruments, beginning of year	-	-	104	12.55	-	-	-	-	104	12.55
Tax on adjustment of hedging instruments for the year	-	-	(23)	(2.78)	-	-	-	-	(23)	(2.78)
Other equity movements	-	-	(1,029)	(124.18)	-	-	1,030	124.30	1	0.12
Net profit/loss for the year	-	-	-	-	-	-	22,944	2,768.81	22,944	2,768.81
Equity at 31 March, 2024	**130,000**	**15,688.01**	**-**	**-**	**1,791**	**216.13**	**(75,220)**	**(9,077.32)**	**56,571**	**6,826.82**

Parent Company

	Share capital		Retained earnings		Total	
	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs
Equity at 1st April, 2023	130,000	15,688.01	(99,167)	(11,967.18)	30,833	3,720.83
Exchange adjustments relating to foreign entities	-	-	724	87.37	724	87.37
Other equity movements	-	-	2,070	249.80	2,070	249.80
Net profit/loss for the year	-	-	22,944	2,768.81	22,944	2,768.81
Equity at 31 March 2024	**130,000**	**15,688.01**	**(73,429)**	**(8,861.19)**	**56,571**	**6,826.82**

Cash flow statement 1 April 2023 - 31 March 2024

	Note	2023/24		2022/23	
		DKK'000	Rs Lacs	DKK'000	Rs Lacs
Result of the year		**22,944**	**2,768.81**	2,453	293.36
Adjustments	14	**11,070**	**1,335.89**	6,227	744.69
Change in working capital	15	**(12,908)**	**(1,557.70)**	10,066	1,203.80
Cash flows from operations before financial items		**21,106**	**2,547.01**	18,746	2,241.85
Financial income		**488**	**58.89**	363	43.41
Financial expenses		**(3,315)**	**(400.04)**	(2,224)	(265.97)
Cash flows from ordinary activities		**18,279**	**2,206**	16,885	2,019.29
Corporation tax paid		**(63)**	**(7.60)**	(69)	(8.25)
Cash flows from operating activities		**18,216**	**2,198.25**	16,816	2,011.04
Purchase of intangible asset		**-**	**-**	(185)	(22.12)
Purchase of property, plant and equipment		**(1,038)**	**(125.26)**	(1,713)	(204.86)
Sale of property, plant and equipment		**35**	**4.22**	340	40.66
Cash flows from investing activities		**(1,003)**	**(121.04)**	(1,558)	(186.32)
Repayment of mortgage loans		**(7,706)**	**(929.94)**	(1,448)	(173.17)
Repayments of loans from credit institutions		**(37)**	**(4.47)**	(7,725)	(923.84)
Reduction of lease obligations		**(1,014)**	**(122.37)**	(132)	(15.79)
Repayment of payables to group enterprises		**(22,360)**	**(2,698.34)**	-	-
Raising of mortgage loans		**10,113**	**1,220.41**	-	-
Raising of loans from credit instituions		**6,000**	**724.06**	-	-
Raising of payabales to group enterprises		**11,511**	**1,389**	-	-
Other equity entries		**1**	**0.12**	-	-
Cash flows from financing activities		**(3,492)**	**(421.40)**	(9,305)	(1,112.79)
Change in cash and cash equivalents		**13,721**	**1,655.81**	5,953	711.93
Cash and cash equivalents at 1 April		**8,258**	**996.55**	2,305	275.66
Cash and cash equivalents at 31 March		**21,979**	**2,652.36**	8,258	987.58
Cash and cash equivalents are specified as follows:					
Cash at bank and in hand		**21,979**	**2,652.36**	8,258	987.58
Cash and cash equivalents at 31 March		**21,979**	**2,652.36**	8,258	987.58

Exchange rate: as at 31 March 2024 is 1 DKK = Rs 12.0677
Exchange rate: as at 31 March 2023 is 1 DKK = Rs 11.9591

Notes to the Financial Statements

1 Staff

	Group		Parent company	
	2023/ 24	2022/ 23	**2023/ 24**	2022/ 23
	TDKK	TDKK	**TDKK**	TDKK
Wages and salaries	**86,565**	72,627	0	0
Pensions	**5,646**	4,119	**0**	0
Other social security expenses	**683**	638	**0**	0
	92,894	77,384	**0**	0
Including remuneration to the :	**0**	0	**0**	0
Executive board	**0**	0	**0**	0
Board of directors	**0**	0	**0**	0
Average number of employees	**236**	219	**0**	0

2 Financial income

	Group		Parent company	
	2023/ 24	2022/ 23	**2023/ 24**	2022/ 23
	TDKK	TDKK	**TDKK**	TDKK
Interest received from group enterprises	**0**	0	**274**	104
Other financial income	**488**	363	**0**	0
	488	363	**274**	104

3 Financial expenses

	Group		Parent company	
	2023/ 24	2022/ 23	**2023/ 24**	2022/ 23
	TDKK	TDKK	**TDKK**	TDKK
Interest paid to group enterprises	**886**	464	**2,247**	561
Other financial expenses	**2,429**	1,760	**0**	0
	3,315	2,224	**2,247**	561

4 Income tax expense

	Group		Parent company	
	2023/ 24	2022/ 23	**2023/ 24**	2022/ 23
	TDKK	TDKK	**TDKK**	TDKK
Current tax for the year	**0**	15	**-364**	-10
Deferred tax for the year	**3,211**	47	**-93**	-122
	3,211	62	**-457**	-132

5 Profit allocation

	Parent Company	
	2022/ 23	2022/ 23
	TDKK	TDKK
Retained earnings	**22,944**	2,453
	22,944	2,453

6 Intangible fixed assets

	Completed development projects	Acquired other similar rights	Goodwill
	TDKK	**TDKK**	**TDKK**
Cost at 1 April	1,556	4,103	139,453
Cost at 31 March	1,556	4,103	139,453
Impairment losses and amortisation at 1 April	1,556	4,019	139,453
Amortisation for the year	0	84	0
Impairment losses and amortisation at 31 March	1,556	4,103	139,453
Carrying amount at 31 March	0	0	0

7 Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	TDKK	**TDKK**	**TDKK**
Cost at 1 April	50,728	19,911	1,995
Exchange adjustment	1,481	588	0
Additions for the year	0	810	228
Disposals for the year	0	-64	-255
Cost at 31 March	52,209	21,245	1,968
Impairment losses and depreciation at 1 April	13,594	15,458	1,796
Exchange adjustment	220	344	0
Depreciation for the year	1,576	1,885	303
Reversal of impairment and depreciation of sold assets	0	-52	-255
Impairment losses and depreciation at 31 March	15,390	17,635	1,844
Carrying amount at 31 March	**36,819**	**3,610**	**124**
Including assets under finance leases amounting to	0	678	0

8 Investments in subsidiaries

	Parent Company	
	2023/24	**2022/23**
	TDKK	**TDKK**
Cost at 1 April	298,896	298,896
Cost at 31 March	298,896	298,896
Value adjustments at 1 April	-232,183	-235,459
Exchange adjustment	724	-14
Net profit/loss for the year	24,565	2,922
Other equity movements, net	2,068	368
Value adjustments at 31 March	-204,826	-232,183
Equity investments with negative net asset value amortised over receivables	4,984	4,518
Carrying amount at 31 March	**99,054**	**71,231**

Investments in subsidiaries are specified as follows

Name	Place of registered office	Ownership
Danstoker A/S	Herning, Denmark	100%
Danstoker Poland Sp. Z.o.o.	Poland, Ostrowiec	100%
Ejendomsanpartsselskabet Industrivej Nord 13	Herning, Denmark	100%
Boilerworks A/S	Herning, Denmark	100%

9 Contract work in progress

	Group		Parent company	
	2023/ 24	2022/ 23	**2023 / 24**	2023/ 24
	TDKK	TDKK	**TDKK**	TDKK
Selling price of work in progress	**248,996**	233,240	**0**	0
Payments received on account	**-224,373**	-208,003	**0**	0
	24,623	25,237	**0**	0
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	**62,255**	59,626	**0**	0
Prepayments received recognised in debt	**-37,632**	-34,389	**0**	0
	24,623	25,237	**0**	0

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, insurance policies and other prepaid costs.

11 Provision for deferred tax

	Group		Parent company	
	2023/ 24	2022/ 23	**2023/ 24**	2022/ 23
	TDKK	TDKK	**TDKK**	TDKK
Deferred tax liabilities at 1 April	**901**	762	**-502**	-380
Amounts recognised in the income statement for the year	**3,211**	47	**-93**	-122
Amounts recognised in equity for the year	**23**	92	**0**	0
Deferred tax liabilities at 31 March	**4,135**	901	**-595**	-502
Recognised in the balance sheet as follows:				
Assets	**1,847**	0	595	502
Provisions	**-5,982**	-901	**0**	0
	4,135	901	**-595**	-502

Deferred tax consists of loss carry-forwards and is expected to be utilized within 3 years

12 Other provisions

Other provisions consists of custom warranties, DKK 1.775 thousand (2022/23: DKK 1.179 thousand) and provision for guarantee obligations and other costs DKK 72 thousand (2022/23: DKK 72 thousand)

13 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2023/ 24	2022/ 23	**2023/ 24**	2022/ 23
	TDKK	TDKK	**TDKK**	TDKK
Mortgage loans				
After 5 years	**8,407**	996	**0**	0
Between 1 and 5 years	**1,392**	5,261	**0**	0
Long-term part	**9,799**	6,257	**0**	0
Within 1 year	**314**	1,449	**0**	0
	10,113	7,706	**0**	0
Lease obligations				
After 5 years	**0**	0	**0**	0
Between 1 and 5 years	**409**	964	**0**	0
Long-term part	**409**	964	**0**	0
Within 1 year	**198**	657	**0**	0
	607	1,621	**0**	0

14 Cash flow statement - Adjustments

	Group	
	2023/ 24	2022/ 23
	TDKK	TDKK
Financial income	**-488**	-363
Financial expenses	**3,315**	2,224
Depreciation, amortisation and impairment losses, including losses and gains on sales	**3,852**	4,279
Tax on profit/loss for the year	**3,211**	62
Exchange adjustments	**1,180**	25
	11,070	6,227

15 Cash flow statement - Change in working capital

	Group	
	2023/ 24	2022/ 23
	TDKK	TDKK
Change in inventories	**-11,457**	-10,401
Change in receivables	**-3,181**	-7,406
Change in other provisions	**596**	-565
Change in trade payables, etc	**1,030**	28,017
Fair value adjustments of hedging instruments	**104**	421
	-12,908	10,066

16 Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2023/ 24	2022/ 23	**2023/ 24**	2022/ 23
	TDKK	TDKK	**TDKK**	TDKK
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	**21,176**	22,077	**0**	0
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	**791**	797	**0**	0
Between 1 and 5 years	**802**	1,242	**0**	0
	1,593	2,039	**0**	0

Guarantee obligations

The Group has a recourse guarantee commitment for performance and advance guarantees, DKK 37,295 thousand.

Other contingent liabilities

The Group is currently involved in legal cases. Management believes that these cases will not have a material impact on the financial statements, beyond what has already been accounted for, based on consultations with legal counsel.

The Company is jointly taxed with the Danish parent company and Danish subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest, and royalties.

17 Related parties and disclosure of consolidated financial statements

Controlling interest	**Basis**
Thermax Netherlands B.V.	Owner

Transactions

	Group		Parent company	
	2023/ 24	2022/ 23	**2023/ 24**	2022/ 23
	TDKK	TDKK	**TDKK**	TDKK
Related party transactions:				
Production cost	**19,833**	2,783	**0**	0
Reimbursed expenses	**1,225**	1,201	**0**	0
Administrative expenses	**676**	1,075	**0**	0
Financial income	**0**	0	**274**	104
Financial expenses	**886**	464	**2,247**	561
Receivables from group enterprises	**784**	607	**536**	903
Contract work in progress from group enterprises	**84**	0	**0**	0
Payables to group enterprises	**14,779**	25,628	**43,729**	41,979

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Thermax Ltd.	India

The Group Annual Report of Thermax Ltd. may be obtained at the following address:

www.thermaxglobal.com

18 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

19 Accounting policies

The Annual Report of Thermax Denmark ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023/24 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Thermax Denmark ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Production expenses

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, production expenses and other operating income.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its Danish group entities. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 20 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3 year.

Other intangible fixed assets

Patents are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 3 years.

Property, plant and equipment

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land and buildings	20-50 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Land is not depreciated

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expense.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Cash

Cash comprise cash.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realization of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities..

Fair Value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/ or transport costs. All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/ liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/ loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity

DANSTOKER A/S

Management Board

Mahesh Channakeshaviah Bukinkere (Chairman)
Rajendran Arunachalam (Vice chairman)
Sandeep Suresh Mandke
Peter Overgaard
Holger Michael Diechmann Jepsen
(Elected by Employees)
Kim Slumstrup (Elected by employees)

Registered Office

Industrivej Nord 13,
7400 Herning

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Bavnehøjvej 5
DK 6700 Esbjerg

Executive Directors

Peter Overgaard (CEO)
Allan Nielsen (CFO)

Bankers

Citi Bank
Sydbank

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Danstoker A/S for the financial year 1 April 2023 - 31 March 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Company and of the results of the Company operations for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herning, 6 June 2024

Executive Board

Peter Overgaard CEO	Allan Harritslev Nielsen Chief Financial Officer

Board of Directors

Mahesh Channakeshaviah Bukinkere Chairman	Rajendran Arunachalam Vice chairman
Sandeep Suresh Mandke	
Holger Michael Diechmann Jepsen Employee representative	Kim Slumstrup Employee representative

Independent Auditor's Report

To the shareholder of Danstoker A/S

Opinion

We have audited the Financial Statements of Danstoker A/S for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2024 and of the results of the Company´s operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs and the additional requirements applicable in Denmark 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 Financial Statements.

DANSTOKER A/S

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.
- 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 in preparing the Financial Statements 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 contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view..

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Esbjerg, 6 June 2024

EY

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Claes Jensen

State Authorised Public Accountant

mne44108

Company information

Name	Danstoker A/S Industrivej Nord 13 DK-7400 Herning Email: info@danstoker.com Website: www.danstoker.com
CVR no.	16 14 72 49
Financial year	1 April 2023 - 31 March 2024
Incorporated	13 April 1992
Municipality of reg. office	Herning
Board of Directors	Mahesh Channakeshaviah Bukinkere, chairman Rajendran Arunachalam, vice chairman Sandeep Suresh Mandke Holger Michael Diechmann Jepsen, employee representative Kim Slumstrup, employee representative
Executive Board	Peter Overgaard Allan Harritslev Nielsen
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5, 6700 Esbjerg

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

DKKm	2023/ 24	2022/ 23	2021/ 22	2020/ 21	2019/ 20
Key figures					
Profit/loss					
Gross profit	55	24	32	26	24
Profit/loss of primary operations	22	0	6	(2)	(12)
Profit/loss of financial income and expenses	6	2	0	(6)	3
Net profit/loss for the year	23	2	5	(7)	(8)
Balance sheet					
Balance sheet total	182	144	131	126	140
Investment in property, plant and equipment	1	1	0	0	0
Equity	67	41	39	34	42
Number of employees	115	105	99	106	117
Ratios					
Solvency ratio	36.8%	28.5%	29.8%	27.0%	30.0%
Return on equity	42.6%	5.0%	13.7%	-18.4%	-17.4%

Management review

Key activities

Danstoker A/S, which has its registered address in the municipality of Herning, is a wholly owned subsidiary of Thermax Denmark ApS.

The ultimate parent company of the company is RDA Holdings Private Limited, Pune, India, which holds the majority through the listed company Thermax Ltd., Pune, India.

Danstoker A/S is the parent company of Danstoker Poland Sp.z o.o..

The Danstoker Group designs, manufactures, sells and do service on boilers and associated equipment within the energy market. The Danstoker Group product range is continuously adapted to the 4 energy categories:

1. Solid fuel market, mainly based on biofuels
2. Electrical boiler market
3. Waste heat recovery boiler market
4. Oil/gas market

Development in the year

Danstoker A/S is highly impacted by the decision in Europe to move away from dependency of Russian gas and at the same time also the high focus on moving away from fossil fuels towards a more environmentally friendly energy production.

Our production in both Herning and Ostrowiec has been running throughout the year on full capacity. It has been difficult to find skilled welders all over Europe. The reason is that all Ukraine welders previously working abroad is back in Ukraine to take part in the war. This has resulted in issues with on time delivery. Order intake has been on a as high level as last year. There is a high demand for biomass fired plants to substitute gas fired plants. Order intake on biomass plants is up with >50% compared to before start of the war in Ukraine. Present backlog is almost on same extraordinary high level as last year's highest in history for Danstoker. We have orders as far out as end 2025.

Danstoker has been able to maintain its position as the absolute market-leader within medium-sized biofuel boilers in Scandinavia. 65% of the turnover is within this segment.

Within the shrinking market of oil and gas-fired boilers, Danstoker has maintained its position in the primary markets, and with the setup in Poland we are in the process of developing a stronger position in the eastern part of Europe. 14% of the turnover is within this segment.

The waste heat recovery boiler market consists primarily of stainless-steel economizers and is 5% of turnover.

The market segments for electrical boilers are expected to increase significantly over the coming years. For now, it represents 4% of turnover.

The market for Service of boilers has maintained its level of 12% of turnover.

Danstoker has started up within the waste incineration market and has delivered the first two big units to two different places in Norway burning municipal solid waste.

Compared to last year the revenue has increased with 36% especially due to the positive development within the biomass segment. The achieved results of the primary operation are above expectations.

Also, the Polish facility have had higher activity than last year and are up with 9%.

Profit for the year before tax amount DKK 28,440 thousand and after-tax amounts to DKK 23,285 thousand. Income from investments in subsidiaries is positive impacted by change of accounting estimate as deferred taxes in Poland is activated with 1.386 kPLN.

The total number of employees by end of financial year is 115 in Denmark and 121 in Poland.

Targets and expectations for the year ahead

The overall volume of orders of the Danstoker Group at the end of the financial year is very satisfactory.

It is the aim of the Danstoker Group to create 2 profitable, strong sales and production companies in Danstoker A/S and Danstoker Poland Sp. z o.o., all as an attractive workplace with competent employees, based on competitive products sold to professional co-operation partners and customers in selected markets where such products are supplied in the quality and at the time and price agreed.

It is also the Group's aim to achieve optimal utilization of the production facilities.

It is not yet known to what extent the war in Ukraine will continue to impact the company. For now, we see very good order booking in the biomass segment as there is a high focus to move away from gas fired plants, even that the gas prices have come down again. However, Danstoker Group will continue to monitor the situation to ensure the Company remains flexible in its ability to respond to changing circumstances.

Besides the above mentioned the Management of the Group is of the opinion that it is not faced with special long-term risks, neither in terms of its markets, nor otherwise.

The growing, necessary, political focus on CO_2 on a global scale will in the long term contribute to making our CO_2-neutral products within biofuels and electrical boilers even more relevant and will contribute to securing the Danstoker Group's continued positive development.

With all the initiatives taken the profit before tax for the financial year 2024/25 is expected to be around 20 mDKK.

External environment

Danstoker A/S is devoted to environmental issues and is constantly striving to reduce the environmental impact resulting from the operations of the Company. The Company has no outstanding issues with the environmental authorities in complying with environmental permits and other environmental regulations. Danstoker A/S holds a ISO 14001 certificate.

Danstoker A/S has decided for the coming years to focus on 4 of United Nations Sustainable Development Goals: "7 Affordable and clean energy", "9 Industry, Innovation and infrastructure", "12 Responsible consumption and production" and "13 Climate action".

In the coming period the Company will have special attention to reduce the consumption of energy during manufacturing, optimizing the design to reduce material use and better waste management to recycle more material. Furthermore, a project is running with the local university with focus on mental health in Danstoker.

In relation to Code of Conduct Danstoker has decided to lean towards UN Global Compact's ten principles for responsible business conduct.

Subsequent events

The Management is of the opinion that from the balance sheet date until today, no events have occurred which could alter the assessment of the annual report substantially.

DANSTOKER A/S

BALANCE SHEET as at 31.03.2024

	Note No	31 Mar 2024		31 Mar 2023	
		DKK'000	Rs. Lacs	DKK'000	Rs. Lacs
ASSETS					
Completed Development Projects		-	-	-	-
Acquired other similar rights		-	-	84	10.05
Intangible assets	6	-	-	84	10.05
Plant and machinery		**1,154**	**139.26**	1,518	181.54
Other fixtures and fittings, tools and equipment		**124**	**14.96**	199	23.80
Property, plant and equipment	7	**1,278**	**154.23**	1,717	205.34
Investments in subsidiaries	8	**14,529**	**1,753.32**	8,654	1,034.94
Receivables from group enterprises	9	**20,989**	**2,532.89**	25,818	3,087.60
Fixed asset Investments		**35,518**	**4,286.21**	34,472	4,122.54
Fixed Asset		**36,796**	**4,440.43**	36,273	4,337.92
Raw materials and consumables		**18,492**	**2,231.56**	18,918	2,262.42
Work in progress		**3,104**	**374.58**	2,887	345.26
Finished goods and goods for resale		**12,522**	**1,511.12**	-	-
Inventories		**34,118**	**4,117.26**	21,805	2,607.68
Trade receivables		**8,545**	**1,031.18**	8,235	984.83
Contract work in progress	10	**58,093**	**7,010.49**	47,386	5,666.94
Receivables from group companies		**27,128**	**3,273.73**	23,562	2,817.80
Other receivables		**1,963**	**236.89**	1,739	207.97
Prepayments	11	**2,020**	**243.77**	1,337	159.89
Receivables		**97,749**	**11,796.06**	82,259	9,837.44
Cash at bank and in hand		**13,638**	**1,645.79**	3,844	459.71
Current assets		**145,505**	**17,559.11**	107,908	12,904.83
Assets		**182,301**	**21,999.54**	144,181	17,242.75
LIABILITIES AND EQUITY					
Share capital		**10,001**	**1,206.89**	10,001	1,196.03
Retained earnings		**56,826**	**6,857.59**	30,830	3,686.99
Equity		**66,827**	**8,064.48**	40,831	4,883.02
Provision for deferred tax	12	**6,379**	**769.80**	1,305	156.07
Other provisions	13	**1,846**	**222.77**	819	97.95
Provisions		**8,225**	**992.57**	2,124	254.01
Credit institutions		**10,500**	**1,267.11**	4,519	540.43
Lease obligations		-	-	587	70.20
Trade payables		**16,220**	**1,957.38**	24,292	2,905.10
Contract work in progress	10	**30,970**	**3,737.37**	27,434	3,280.86
Payables to group enterprises		**22,560**	**2,722.47**	23,505	2,810.99
Payables to group enterprises relating to corporation tax		**80**	**9.65**	-	-
Other payables		**26,919**	**3,248.50**	20,889	2,498.14
Short-term debt		**107,249**	**12,942.49**	101,226	12,105.72
Debt		**107,249**	**12,942.49**	101,226	12,105.72
Liabilities and Equity		**182,301**	**21,999.54**	144,181	17,242.75

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Income statement for the period 1 April 2023 - 31 March 2024

	Note No	2023-24		2022-23	
		DKK'000	**Rs. Lacs**	DKK'000	Rs. Lacs
Gross profit		**54,712**	**6,602.48**	24,354	2,912.52
Distribution expenses		**(13,625)**	**(1,644.22)**	(8,729)	(1,043.91)
Administrative expenses		**(18,817)**	**(2,270.78)**	(15,421)	(1,844.21)
Profit/loss before financial income and expenses		**22,270**	**2,687.48**	204	24.40
Income from investments in subsidiaries		**5,151**	**621.61**	2,163	258.68
Financial income	2	**3,686**	**444.82**	1,122	134.18
Financial expenses	3	**(2,667)**	**(321.85)**	(1,493)	(178.55)
Profit / Loss before tax		**28,440**	**3,432.05**	1,996	238.70
Tax on profit/loss for the year	4	**(5,155)**	**(622.09)**	60	7.18
Net Profit / Loss for the year	5	**23,285**	**2,809.96**	2,056	245.88

Exchange rate: as at 31 March 2024 is 1 DKK = Rs. 12.0677

Exchange rate: as at 31 March 2023 is 1 DKK = Rs. 11.9591

Statement of Changes in Equity

	Share capital		Retained Earnings		Total	
	DKK'000	**Rs. Lacs**	**DKK'000**	**Rs. Lacs**	DKK'000	Rs. Lacs
Equity at 1 April 2023	10,001	1,206.89	30,830	3,720.47	40,831	4,927.36
Exchange adjustments	-	-	1,987	239.79	1,987	239.79
Exchange adjustments relating to foreign entities	-	-	724	87.37	724	87.37
Net profit/loss for the year	-	-	23,285	2,809.96	23,285	2,809.96
Equity at 31 March 2024	**10,001**	**1,206.89**	**56,826**	**6,857.59**	**66,827**	**8,064.48**

The share capital consists of 1 share at a nominal amount of DKK 10,001,000.

The Company's share capital has remained DKK 10,001 thousand over the past 5 years.

DANSTOKER A/S

NOTES TO THE FINANCIAL STATEMENTS

1 Staff

	2023/24 TDKK	2022/23 TDKK
Wages and salaries	**63,235**	54,485
Pensions	**5,646**	4,119
Other social security expenses	**683**	638
	69,564	59,242
Including remuneration to the Executive Board and Board of Directors:		
Executive board	**4,921**	3,826
Board of directors	**60**	60
	4,981	3,886
Average number of employees	**115**	105

2 Financial Income

	2023/24 TDKK	2022/23 TDKK
Interest received from group enterprises	**3,206**	762
Other financial income	**480**	360
	3,686	1,122

3 Financial expense

	2023/24 TDKK	2022/23 TDKK
Interest paid to group enterprises	**1,034**	488
Other financial expenses	**1,633**	1,005
	2,667	1,493

4 Income tax expense

	2023/24 TDKK	2022/23 TDKK
Current tax for the year	**81**	-315
Deferred tax for the year	**5,074**	255
	5,155	-60

5 Profit allocation

	2023/24 TDKK	2022/23 TDKK
Retained earnings	**23,285**	2,056
	23,285	2,056

6 Intangible fixed assets

	Completed Development projects TDKK	Acquired other similar rights TDKK
Cost at 1 April	**1,556**	**4,103**
Cost at 31 March	**1,556**	**4,103**
Impairment losses and amortisation at 1 April	**1,556**	**4,019**
Amortisation for the year	**0**	**84**
Impairment losses and amortisation at 31 March	**1,556**	**4,103**
Carrying amount at 31 March	**0**	**0**

7 Property, plant and equipment

	Plant and machinery TDKK	Other fixtures and fittings, tools and equipment TDKK
Cost at 1 April	**26,547**	**1,995**
Additions for the year	**666**	**228**
Disposals for the year	**-52**	**-255**
Cost at 31 March	**27,161**	**1,968**
Impairment losses and depreciation at 1 April	**25,029**	**1,796**
Depreciation for the year	**1,030**	**303**
Reversal of impairment and depreciation of sold assets	**-52**	**-255**
Impairment losses and depreciation at 31 March	**26,007**	**1,844**
Carrying amount at 31 March	**1,154**	**124**

8 Investments in subsidiaries

	2023/24 TDKK	2022/23 TDKK
Cost at 1 April	**30,379**	30,379
Cost at 31 March	**30,379**	30,379
Value adjustments at 1 April	**-21,725**	-23,873
Exchange adjustment	**724**	-14
Net profit/loss for the year	**5,151**	2,162
Value adjustments at 31 March	**-15,850**	-21,725
Carrying amount at 31 March	**14,529**	8,654

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Danstoker Poland Sp. Z.o.o.	Poland	100%

9 Other fixed asset investments

	Receivables from group enterprises TDKK
Cost at 1 April	**25,818**
Exchange adjustment	**2,161**
Disposals for the year	**-6,990**
Cost at 31 March	**20,989**
Carrying amount at 31 March	**20,989**

10 Contract work in progress

	2023/24 TDKK	2022/23 TDKK
Selling price of work in progress	**237,368**	150,837
Payments received on account	**-210,245**	-130,885
	27,123	19,952
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	**58,093**	47,386
Prepayments received recognised in debt	**-30,970**	-27,434
	27,123	19,952

11 Prepayments

Prepayments comprise prepaid insurance premium, prepaid rent and other prepaid costs.

12 Provision for deferred tax

	2023/24 TDKK	2022/23 TDKK
Deferred tax liabilities at 1 April	**1,305**	1,050
Amounts recognised in the income statement for the year	**5,074**	255
Deferred tax liabilities at 31 March	**6,379**	1,305

13 Other provisions

Other provisions consists of customs warranties, DKK 1.775 thousand (2022/23; DKK 747 thousand) and provision for guarantee obligations and other costs DKK 72 thousand (2022/23: DKK 72 thousand).

14 Contingent assets, liabilities and other financial obligations

	2023/24 TDKK	2022/23 TDKK
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	**503**	509
Between 1 and 5 years	**484**	635
	987	1,144

The Company has entered into lease contracts. Tenancy commitments in lease buildings amount to DKK 33,062 thousand, of this DKK 2,755 thousand concerns 2024/25.

Guarantee obligations

The Company has undertaken guarantees whereby it has assumed primary liability for the affiliated companies' outstanding balances with mortgage credit institutions and banks, DKK 10,000 thousand.

Performance bonds and advance payment guarantees issued by guarantee insurers amount to DKK 37,630 thousand.

Other contingent liabilities

The Company is currently involved in legal cases. Management believes that these cases will not have a material impact on the financial statements, beyond what has already been accounted for, based on consultations with legal counsel.

The Company is jointly taxed with the Danish parent company and Danish subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest, and royalties.

15 Related parties and disclosure of consolidated financial statements

Controlling interest	Basis
Thermax Denmark ApS	Owner

Transactions

	2023/24 TDKK	2022/23 TDKK
Related party transactions:		
Net sales	**1,403**	1,280
Production cost	**38,980**	10,587
Reimbursed expenses	**1,225**	1,201
Administrative expenses	**676**	1,075
Rent	**2,727**	2,635
Financial income	**3,206**	762
Financial expenses	**1,034**	488
Receivables from group enterprises	**48,117**	49,380
Payables to group enterprises	**22,640**	23,505

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Thermax Denmark ApS	Denmark
Thermax Ltd.	India

The Group Annual Report of Thermax Denmark ApS may be obtained at the following address:

www.cvr.dk

The Group Annual Report of Thermax Ltd. may be obtained at the following address:

www.thermaxglobal.com

16 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

17 Accounting policies

The Annual Report of Danstoker A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year. The Financial Statements for 2023/24 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023/24 of Thermax Denmark ApS, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Thermax Denmark ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Production expenses

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Production expenses also include amortisation of goodwill to the extent that goodwill relates to production activities.

Production expenses also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises of revenue, production expenses and other operating income.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its Danish group entities. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company’s development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item ‘Reserve for development costs’. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3 year.

Other intangible fixed assets

Patents are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 3 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of receivables from group entities

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Cash

Cash comprise cash.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realization of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognized development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Financial Highlights

Explanation of financial ratios

Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity

EJENDOMSANPARTSSELSKABET INDUSTRIVEJ NORD 13

Board of Directors	***Registered Office***	***Auditors***	***Bankers***
Mahesh Channakeshaviah Bukinkere (Chairman) Swapnil Dhumane	Industrivej Nord 13 DK - 7400 Herning	Ernst & Young Godkendt Revisionspartnerselskab Bavnehøjvej 5 6700 Esbjerg,	Spar Nord Sydbank

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Ejendomsanpartsselskabet Industrivej Nord 13 for the financial year 1 April 2023 - 31 March 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Company and of the results of the Company operations for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herning, 6 June 2024

Executive Board

Swapnil Vitthal Dhumane
CEO

Board of Directors

Mahesh Channakeshaviah Bukinkere
Chairman

Independent Auditor's Report

To the shareholder of Ejendomsanpartsselskabet Industrivej Nord 13

Opinion

We have audited the Financial Statements of Ejendomsanpartsselskabet Industrivej Nord 13 for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2024 and of the results of the Company´s operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs and the additional requirements applicable in Denmark 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 Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

- 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 in preparing the Financial Statements 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 contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Esbjerg, 6 June 2024

EY
Godkendt Revisionspartnerselskab
CVR No 30 70 02 28

Claes Jensen

State Authorised Public Accountant

mne44108

Company information

Name	Ejendomsanpartsselskabet Industrivej Nord 13 Industrivej Nord 13 DK-7400 Herning
Financial Period	1 April 2023 - 31 March 2024
CVR no.	13 96 64 43
Municipality of reg. office:	Herning
Board of Directors	Mahesh Channakeshaviah Bukinkere, Chairman
Executive Board	Swapnil Vitthal Dhumane
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5 6700 Esbjerg

Management's review

Key activities

The Company's principal activity is to own and lease out the property Industrivej Nord 13, DK-7400 Herninq,

The Company is a fully-owned subsidiary of Thermax Denmark ApS. The ultimate parent company of the company is RDA Holdings Private Limited, Pune, India, which holds the majority through the listed company Thermax Ltd., Pune, India.

Development in the year

The income statement of the Company for 2023/24 shows a profit of TDKK 1,745, and at 31 March 2024 the balance sheet of the Company shows a positive equity of TDKK 32,226.

Management considers the result as satisfactory.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement for the period 1st April 2023 to 31st March 2024

	Note	2023/24		2022/23	
		DKK'000	Rs Lacs	DKK'000	Rs Lacs
Gross profit		**2,727**	**329.09**	2,634	315.00
Administrative expenses		**(946)**	**(114.16)**	(969)	(115.88)
Profit/loss before financial income and expenses		**1,781**	**214.93**	1,665	199.12
Financial income	1	**1,014**	**122.37**	243	29.06
Financial expenses	2	**(558)**	**(67.34)**	(569)	(68.05)
Profit/loss before tax		**2,237**	**269.95**	1,339	160.13
Tax on profit for the year	3	**(492)**	**(59.37)**	(304)	(36.36)
Net profit/loss for the year		**1,745**	**210.58**	1,035	123.78

Distribution of Profit

	2023/24		2022/23	
	DKK'000	Rs Lacs	DKK'000	Rs Lacs
Proposed distribution of profit				
Retained earnings	**1,745**	**210.58**	1,035	123.78
	1,745	**210.58**	**1,035**	**123.78**

Statement of Changes in Equity for the period 1st April 2023 to 31st March 2024

	Share Capital		Revaluation reserve		Reserve for hedging transactions		Retained earnings		Total	
	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs
Equity at 1 April 2023	200	24.14	1,768	213.36	948	114.40	27,484	3,316.69	30,400	3,668.58
Dissolution of previous years' revaluation	-	-	(83)	(10.02)	-	-	83	10.02	-	-
Fair value adjustment of hedging instruments, end of year	-	-	-	-	104	12.55	-	-	104	12.55
Tax on adjustment of hedging instruments for the year	-	-	-	-	(23)	(2.78)	-	-	(23)	(2.78)
Dissolution of reserve	-	-	-	-	(1,029)	(124.18)	1,029	124.18	-	-
Net profit/loss for the year	-	-	-	-	-	-	1,745	210.58	1,745	210.58
Equity at 31 March 2024	**200**	**24.14**	**1,685**	**203.34**	**-**	**-**	**30,341**	**3,661.46**	**32,226**	**3,888.94**

Exchange rate : as at 31st Mar 24 is 1 DKK = Rs. 12.0677

Exchange rate : as at 31st Mar 23 is 1 DKK = Rs. 11.9591

EJENDOMSANPARTSSELSKABET INDUSTRIVEJ NORD 13

Balance Sheet

	NOTE	2023/24		2022/23	
		DKK'000	**Rs. Lacs**	DKK'000	Rs. Lacs
ASSETS					
Land and buildings	4	**21,176**	**2,555.46**	22,077	2,640.21
Property, plant and equipment		**21,176**	**2,555.46**	22,077	2,640.21
Investments in subsidiary	5	**-**	**-**	-	-
Fixed asset investments		**-**	**-**	-	-
Fixed Assets		**21,176**	**2,555.46**	22,077	2,640.21
Receivables from group enterprises		**24,429**	**2,948.02**	19,195	2,295.55
Receivables		**24,429**	**2,948.02**	19,195	2,295.55
Cash at bank and in hand		**-**	**-**	23	2.75
Current assets		**24,429**	**2,948.02**	19,218	2,298.30
Assets		**45,605**	**5,503.47**	41,295	4,938.51
LIABILITIES AND EQUITY					
Share capital		**200**	**24.14**	200	23.92
Revaluation reserve		**1,685**	**203.34**	1,768	211.44
Reserve for hedging transactions		**-**	**-**	948	113.37
Retained earnings		**30,341**	**3,661.46**	27,484	3,286.84
Equity		**32,226**	**3,888.94**	30,400	3,635.57
Provision for deferred tax		**2,818**	**340.07**	2,762	330.31
Provisions		**2,818**	**340.07**	2,762	330.31
Mortgage loans		**9,585**	**1,156.69**	6,257	748.28
Long term debt	6	**9,585**	**1,156.69**	6,257	748.28
Mortgage loans	6	**314**	**37.89**	1,449	173.29
Credit institutions		**-**	**-**	18	2.15
Payables to group enterprises relating to corporation tax		**436**	**52.62**	-	-
Other payables		**226**	**27.27**	409	48.91
Short term debt		**976**	**117.78**	1,876	224.35
Debt		**10,561**	**1,274.47**	8,133	972.63
Liabilities and Equity		**45,605**	**5,503.47**	41,295	4,938.51

Contingent assets, liabilities and other financial obligations	7
Related parties	8
Accounting Policies	9

Financial statements 1 April 2023 - 31 March 2024

Notes to the financial statements

1 Financial income

	2023/24 TDKK	2022/23 TDKK
Interest received from group enterprises	**1,014**	243
	1,014	243

2 Financial expenses

	2023/24 TDKK	2022/23 TDKK
Other financial expenses	**558**	569
	558	56

3 Income tax expense

	2023/24 TDKK	2022/23 TDKK
Current tax for the year	**458**	252
Deferred tax for the year	**34**	52
	492	304

4 Property, plant and equipment

	Land and buildings TDKK
Cost at 1 April	41,408
Cost at 31 March	41,408
Revaluations at 1 April	4,080
Revaluations at 31 March	4,080
Impairment losses and depreciation at 1 April	23,411
Depreciation for the year	901
Impairment losses and depreciation at 31 March	24,312
Carrying amount at 31 March	**21,176**
Revaluation less amortisation, depreciation and impairment losses	2,159
Carrying amount at 31 March before revaluations	**19,017**

5 Investments in subsidiaries

	2023/24 TDKK	2022/23 TDKK
Cost at 1 April	0	1,000
Disposals for the year	0	(1,000)
Cost at 31 March	0	0
Value adjustments at 1 April	0	8,434
Disposals for the year	0	(8,434)
Value adjustments at 31 March	0	0
Carrying amount at 31 March	**0**	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
Boilerworks Properties ApS - Dissolved after voluntary Liquidation	Herning	0%

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2023/24 TDKK	2022/23 TDKK
Mortgage loans		
After 5 years	**8,407**	996
Between 1 and 5 years	**1,178**	5,261
Long-term part	**9,585**	6,257
Within 1 year	**314**	1,449
	9,899	7,706

7 Contingent assets, liabilities and other financial obligations

Charges and security

Land and buildings with a carrying amount of DKK 21,176 thousand at 31 March 2024 have been provided as collateral, nom. DKK 26,000 thousand, for bank loans of DKK 10,000 thousand.

Guarantee obligations

The Company has a recourse guarantee commitment for performance and advance guarantees in group-related companies, DKK 526 thousand.

Other contingent liabilities

The company is jointly taxed with the Danish parent company and Danish subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

8 Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Thermax Denmark ApS	Denmark

Requisitioning of the parent company's consolidated financial statements:

www.cvr.dk

9 Accounting policies

The Annual Report of Ejendomsanpartsselskabet Industrivej Nord 13 for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 are presented in TDKK.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income statement

Revenue

Revenue comprises rental income, etc., which is recognised in the income statement in the period, which the rent concerns.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises of revenue.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with other group entities. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. It is revalued at fair value if any significant changes in the fair value of land and buildings are recognized. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

In connection with significant changes in the fair value of land and buildings, revaluation to fair value is made based on a yearly assessment on each property. Revaluations and reversals hereof, less deferred tax, are taken directly to equity.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Depreciation based on cost added revaluations and reduced by any residual value is calculated on a straight- line basis over the expected useful lives of the assets, which are:

Land and buildings	50 years

Land is not depreciated

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Cash

Cash comprise cash.

Equity

Revaluation reserve

The reserve comprises revaluations of property, plant and equipment/ investments in subsidiaries and associates relative to cost net of deferred tax. The revaluation reserve is reduced by the depreciation charges relating to the revaluation.

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Joint taxation contributions payable and receivable are recognised in the balance sheet under balances with group enterprises.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Rifox-Hans Richter GmbH Spezialarmaturen, Bremen (Germany)

Board of Directors	***Registered Office***	***Auditors***	***Bankers***
Mahesh Channakeshaviah Bukinkere (Chairman) Sandeep Mandke Peter Overgaard	Bertha - von - suttner - str. 9 28207 Breman, Germany HRB 3148	SBR Siebolds Balion Rauber PartG Steuerberater Wirtschaftsprufer Friedrich-Ebert-StraBe 55 26954 Nordenham	Sydbank

Independent Auditor's Report

To Rifox-Hans Richter GmbH Spezialarmaturen

Audit Opinion

We have audited the annual financial statements of Rifox-Hans Richter GmbH Spezialarmaturen, which comprise the balance sheet, and the statement of profit and loss, for the financial year from April 01, 2023 to March 31, 2024, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities, and financial position of the Company, and of its financial performance for the financial year from April 01, 2023 to March 31, 2024 in compliance with German Legally Required Accounting Principles.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations and that the annual financial statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial re- porting based on the going concern basis of accounting provided no actual or legal circumstances conflict therewith.

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual 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 audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, inten- tional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our audit opinion on the annual financial statements. 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 be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

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.

Rauber
(Wirtschaftsprüfer)
(German Public Auditor)

Nordenham, April 22, 2024

Notes to the Financial Statements for the financial year

April 01, 2023 – March 31, 2024

A. General information on the annual financial statements

The annual financial statements as at 31 March 2024 were prepared in accordance with the provisions of Sections 242 et seq. of the German Commercial Code (HGB), in compliance with the supplementary provisions for corporations (§§ 264 ff HGB) in the version of the German Accounting Standards Directive (BilRUG).

Information on the identification of the company according to the register court:

Company name according to register court:	Rifox-Hans Richter GmbH Spezialarmaturen
Registered office:	Bremen
Register entry:	commercial register
Registry court:	Bremen
Registration number:	HRB 3148

Additionally to these regulations the German Limited Liability Companies Act had to be applied.

The total expenditure format was applied to the profit and loss account.

According to the size classes in § 267 (1) HGB the company is a small limited company.

The easing of restrictions for small limited companies according to § 274a and § 288 HGB were partly applied.

B. Information on accounting and valuation methods

The accounting and valuation methods of the previous year were maintained without change.

Fixed assets were listed at purchase prices reduced by planned depreciation.

The planned depreciation was made using the straight-line method or the declining-value method. The expected life-spans of the assets were estimated using the depreciation-index in line with the tax rules.

Low-value assets with acquisition costs of up to Euro 800.00 were fully written off in the year of acquisition

Stocks were listed at acquisition or production costs. If necessary the lower value on the key balance sheet date was used.

Trade receivables and other assets were valued considering all recognizable risks.

Cash balance and bank accounts were listed at cash value.

To cover the general credit risk and the costs of discounts, general provisions for doubtful debts were formed.

The tax provisions include the taxes relating to the financial year and previous year that have not yet been assessed.

Other provisions account for all recognizable risks and uncertain liabilities. All recognizable risks were accounted for.

Liabilities are recognized at the fulfillment value.

C. Notes to the Balance Sheet

The development of the fixed assets is attached as appendix.

Specifications concerning trade receivables and other assets with a remaining term of more than one year can be gathered from the balance sheet.

Other provisions account for all recognizable risks and uncertain liabilities. The value was estimated according to reasonable commercial evaluation.

Specifications concerning liabilities with a remaining term of up to one year can be gathered from the balance sheet.

The other creditors include liabilities to shareholders in the amount of 0,00 Euro (previous year 292.942,44 Euro).

D. Other Information

In the financial year, an average of 30 employees were employed (previous year 30).

Members of the board of management:

Mr. Holger Mundt, Bremen, Germany (until April 27, 2023)

Mr. Sandeep Mandke, Pune, India

Mr. Mahesh Channakeshaviah Bukinkere, Pune, India

Mr. Peter Overgaard, Höjbjerg, Denmark

The annual accounts were produced before appropriation of net income.

Bremen, April 22, 2024

Rifox-Hans Richter GmbH Spezialarmaturen
Sandeep Mandke, Mahesh Channakeshaviah Bukinkere, Peter Overgaard

Managing Directors

Rifox-Hans Richter GmbH Spezialarmaturen, Bremen (Germany)

Report on Annual Financial Statement

A. Audit Engagement

Our subsequently reported "Audit Report" on the statutory audit of the annual financial statements of the Rifox-Hans Richter GmbH Spezialarmaturen, Bremen, as of March 31, 2024 is addressed to the audited company.

The management of

Rifox-Hans Richter GmbH Spezialarmaturen, Bremen,

(hereinafter referred to as "Rifox" or "the Company")

engaged us to audit the annual financial statements of the Company for the financial year from April 1, 2023 through March 31, 2024 including the bookkeeping system in accordance with Sec- tion 316 et seqq. HGB.

RIFOX is a small corporation within the meaning of Section 267 (1) and (4) HGB.

The audit, which is not legally required, was conducted on the basis of the application of management pursuant to the provisions of Section 316 et seqq. HGB.

The Company is required under Section 325 HGB in conjunction with Section 326 HGB to electronically file the balance sheet and the notes to the financial statements with the operator of the electronic Federal Gazette and to publish them in the electronic Federal Gazette.

The Company did not prepare a management report because this is not legally required.

The statutory duty to prepare consolidated financial statements and a group management report does not apply to the group of RIFOX because the size criteria of Section 293 HGB are not satisfied.

This engagement and our liability, also in relation to third parties, are governed by the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften" dated January 1, 2024, which are attached to this report.

Our audit was conducted in compliance with the general principles for the conduct of audits of financial statements as set out in the relevant auditing standards issued by the "Institut der Wirtschaftsprüfer in Deutschland e. V. (IDW) (Institute of Public Auditors in Germany, Düsseldorf)". This long form audit report was prepared in accordance with the Generally Accepted Standards for the Issuance of Long-form Audit Reports for the Audits of Financial Statements (IDW PS 450 n.F). As the audit is not legally required, this report is addressed only to the audited company.

B. General Findings

I. Opinion on the Management's Assessment of the Company's Position

Since the management admissibly has not prepared a management report because this is not legally required, we, as auditors, have not been able to comment, as set forth in Section 321 (1) Clause 2 HGB, on the management's assessment of the Company's position which would otherwise have been stated in the management report.

The assessment of the Company's position, and in particular, the assessment of the Company's ability to continue as a going concern and its material opportunities and risks of future development, has been reasonably and appropriately determined. According to the results of our audit and the knowledge obtained, the legal representative's assessment of the Company's position is appropriate in terms of scope and accurate in terms of content.

II. Copy of the Auditors' Report

Based on the final results of our audit we issued the following unrestricted auditor's report dated April 22, 2024 which is on 1st page of this annual report.

C. Subject, Nature and Scope of the Audit

The subject of our audit was the bookkeeping system, the annual financial statements for the financial year from April 01, 2023 through March 31, 2024, prepared in accordance with the regulations stipulated by commercial law for all merchants (Sections 242 to 256 HGB), the supplementary regulations for corporations and for certain commercial partnerships (Sections 264 to 288 HGB). The responsibility for the compliance of the bookkeeping system and the annual financial statements with the applicable requirements lies with the Company's legal representatives. Our responsibility was to examine these documents to determine whether they comply with the statutory accounting regulations.

Our audit also included assessing whether the management has taken suitable measures to ensure that developments endangering the going concern of the Company are recognized at an early stage (risk early recognition system). We satisfied ourselves that the system is capable of fulfilling its objectives.

According to Section 317 (4a) HGB, our audit does not have to extend to whether the continued existence of the audited company or the effectiveness and profitability of the management can be guaranteed.

Our engagement to audit the annual financial statements did not include assessing the appropriateness of the Company's insurance coverage, or in particular, whether all risks have been recognized and sufficiently insured.

We conducted our audit at the Company's premises in Bremen, as well as in our office.

We hereby confirm, to have considered the regulations for independence of the Auditor according to § 321 Abs. 4a HGB.

For business year from April 01, 2023 to March 31, 2024 the starting point was the annual financial statements for the financial year from April 01, 2022 through March 31, 2023, which we had audited and provided with an unqualified auditors´ report.

We conducted our audit in accordance with the regulations of Section 316 et seqq. HGB and the generally accepted standards for the audit of financial statements as set forth in the IDW Auditing Standards. In accordance herewith we planned our audit in such a way as to detect any inaccuracies and violations of statutory provisions which have a material influence on the presentation of a true and fair view of the net assets, financial position and results of operations. Our engagement did not include detecting or clarifying criminal offenses (such as fraud or any other form of breach of trust) or breach of administrative rules unrelated to the accounting context, or assessing the effectiveness or operational efficiency of the management. However, we planned and conducted our audit such that misstatements and violations which are material to the accounting would be detected with reasonable assurance. The responsibility for the avoidance and detection of misstatements and violations lies with the Company's legal representatives.

In accordance with our risk-driven audit approach we initially acquired up-to-date knowledge of the economic and legal environment of the Company and, through interviews with the management, gathered information about those business risks that may lead to material errors in the accounting records. In addition to that, we examined what measures the Company has taken to manage these business risks. In this connection, we examined the appropriateness of the Company's accounting related internal control system.

We considered this knowledge in determining our further audit procedures. In areas where management has implemented adequate internal controls to limit such risks, we conducted tests of operation to satisfy ourselves of the continuous effectiveness of those internal controls. The degree of effectiveness of those internal controls determined the nature and scope of our examination of individual business transactions and balances and the extent of our analytical audit procedures. To the extent we could rely on the accuracy of the figures to be audited because of the effectiveness of the Company's internal controls, we extensively reduced the scope of our examination of individual transactions. Especially in the case of business transactions which, by their nature, are recorded and processed in large numbers according to identical procedures and within the framework of effective internal control (according to our preliminary findings), the audit focused on the consistent application of the Company's internal controls. In the other areas, we mainly conducted tests of details on a sample basis, and analytical audit procedures. In accordance with the principle of materiality and the requirement of audit procedure efficiency we therefore performed substantive audit procedures to obtain audit assurance.

To audit the items in the annual financial statements of the Company, we reviewed, among other things, excerpts from the Land Register and Commercial Register, supply and service contracts, loan contracts as well as other business records. We observed the physical count of inventories in Bremen. In order to identify potential risks from pending litigation, we requested attorneys' confirmations, and to audit trade receivables and payables, we requested balance confirmations as of March 31, 2024 (reference date). We obtained bank confirmations as of March 31, 2024 (reference date) in order to audit the relationships with financial services institutions.

The management and the staff members authorized by the management supplied us with all information and supporting documentation which we requested.

The management submitted to us a standard letter of representation relating to the annual financial statements.

D. Findings Regarding Accounting Records

I. Appropriateness of Accounting Records

1. Bookkeeping System and Other Audited Records

According to our findings, the bookkeeping system and the voucher system are proper and in compliance with the statutory regulations. The information obtained from other records audited properly depicts the bookkeeping system and the annual financial statements.

According to our findings, the accounting-related internal control system is generally suitable to ensure complete and accurate recording, processing, documentation and safeguarding of the bookkeeping data.

2. Annual Financial Statements

The annual financial statements of Rifox for the financial year from April 1, 2023 through March 31, 2024 were prepared in accordance with the statutory provisions including legal form, German principles of proper accounting.

The balance sheet and the income statement were properly derived from the bookkeeping system and the other audited records. In doing so, the recognition, disclosure and valuation requirements of commercial law were observed.

The notes to the financial statements comply with the statutory provisions. The disclosures in the notes to the financial statements are complete and appropriate.

II. Overall Impression given by the Annual Financial Statements

The annual financial statements comply with the statutory provisions and, as a whole, give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting.

To provide a better understanding of the overall impression given by the annual financial statements, we refer below, as required by law, to the material valuation bases and the influence that changes to the valuation bases have had, as a whole, on the overall impression given by the annual financial statements (Section 321 (2) Clause 4 HGB); we refer to the notes to the financial statements for the financial year 2023/2024 (Appendix III).

III. Analysis of net assets, financial position & result of operations

1. Net assets & financial position

	March 31, 2024		March 31, 2023		Change
	TEUR	%	TEUR	%	TEUR
Assets structure					
Long and medium term tied					
Tangible assets	155	7,2	173	8,4	-18
	155	7,2	173	8,4	-18
Short-term tied					
Stocks	1.039	48,0	1.053	51,0	-14
Debtors and other assets	669	30,9	329	15,9	340
Cash items	292	13,5	496	24,0	-204
Prepaid expenses	9	0,4	12	0,6	-3
	2.009	92,8	1.890	91,6	119
	2.164	100,0	2.063	100,0	101
Financial structure					
Long and medium term available					
Shareholders' equity	1.649	76,2	1.386	67,2	263
	1.649	76,2	1.386	67,2	263
Short-term payable					
Provisions	390	18,0	220	10,7	170
Trade creditors	93	4,3	94	4,6	-1
Other creditors	32	1,5	363	17,6	-331
	515	23,8	677	32,8	-162
	2.164	100,0	2.063	100,0	101

Total assets amounted to TEUR 2.164 as at March 31, 2024, which is TEUR 101 more than the TEUR 2.063 reported as at March 31, 2023. This is largely caused by the increase of trade debtors (TEUR 340). The decrease in fixed assets (TEUR 18) is due to depreciation.

Equity increased by TEUR 263 to TEUR 1.649 as at the balance sheet date on March 31, 2024. This is due to the result for the financial year 2023/2024.

The provisions increased from TEUR 220 to TEUR 390, due to tax provisions because of the elimination of the tax loss carryforward.

The decrease in cash items corresponds to the development of the other creditors.

The development of the financial position and results of operations, as well as the causative transactions, is shown by a statement of changes in financial positions (rounding differences are accepted) - according to the German Accounting Standard No. 21 - year on year - as follows:

	2024	2023
	TEUR	TEUR
Net result	264	340
Loss from disposal of fixed assets	0	25
Depreciation	43	55
	307	**420**
Changes on assets (-increase/+decrease)		
Stocks	14	-133
Receivables and other assets	-340	54
Deferred charges	3	-3
Changes on liabilities and shareholders' equity (+increase/-decrease)		
Provisions	170	-15
Advance payments received	0	-446
Trade creditors	-1	41
Other creditors	-331	293
Cash flow from operating activities	**-178**	**211**
Proceeds from disposal of property, plant and equipment	0	164
Purchase of property, plant and equipment	-26	-98
Cash flow from investing activities	**-26**	**66**
Liabilities to banks	0	0
Cash payments to lenders	0	0
Cash flow from financing activities	**0**	**0**
Change in cash funds from cash relevant transactions	-204	277
Cash funds at the beginning of period	496	219
Cash funds at the end of period	**292**	**496**

The solvency of the company was not at risk during the reporting year and up to our audit in April 2024.

2. Results of operations

Based on the income statement (Appendix II) we ascertained the following statement of operations with a view to economic aspects - according to accounting principles - for 2024 - financial year on year:

	2024		2023		Change
	TEUR	%	TEUR	%	TEUR
Operating income	4.438	100,0	4.010	100,0	428
Cost of material	1.072	24,2	1.195	29,8	-123
Gross profit	3.366	75,8	2.815	70,2	551
Other operating income	84	1,9	454	6,1	-370
Staff costs	2.399	54,1	2.258	56,3	141
Depreciation	43	1,0	55	1,4	-12
Other operating charges	620	14,0	596	14,9	24
Operating charges	2.978	67,1	2.455	61,2	523
Operating income (EBIT)	**388**	**8,7**	**360**	**9,0**	**28**
Interest receivables and similar					
income	2	0,0	0	0,0	2
Interest and other similar charges	4	0,1	3	0,1	1
Financial Income	-2	0,0	-3	-0,1	1
Operating and financial income	**386**	**8,7**	**357**	**8,9**	**29**
Non-operating income	0	0,0	0	0,0	0
Income taxes	121	2,7	16	0,4	105
Non-operating results	**-121**	**-2,7**	**-16**	**-0,4**	**-105**
Other taxes	1	0,0	1	0,0	0
Result for the year	**264**	**5,9**	**340**	**8,5**	**-76**

The result for the year decreased by TEUR 76 to TEUR 264 compared to the result for the year 2022/2023. The margin increased from 70,2% to 75,8%.

The positive business development is mainly due to higher sales prices and a few very adequate orders. The decrease in other operating income and staff costs are due to another sales staff, Mr Sebastian Gross, which are recharged to Thermax Ltd. The higher income taxes result from to the elimination tax loss carryforward.

3. Material company ratios - year on year

The following table illustrates the development of the company overall:

		2024	2023	2022	2021	2020	2019
Balance sheet total	(TEUR)	**2.164**	2.063	1.850	1.692	1.446	1.318
Equity	(TEUR)	**1.649**	1.386	1.046	778	673	521
Turnover	(TEUR)	**4.438**	4.010	3.839	2.817	3.416	3.321
Gross profit	(TEUR)	**3.366**	2.815	2.829	1.953	2.417	2.350
Result for the year	(TEUR)	**264**	340	268	106	152	139
Cash flow	(TEUR)	**307**	420	332	156	185	168
Equity ratio	in %	**76,2**	67,2	56,5	46,0	46,5	39,5

E. Conclusion

We have prepared the above report on the audit of the annual financial statements of Rifox-Hans Richter GmbH Spezialarmaturen, Bremen, for the financial year from April 01, 2023 through March 31, 2024 in accordance with the statutory regulations and the generally accepted standards for the issuance of long-form audit reports for the audits of financial statements (IDW PS 450 n.F).

Balance Sheet as at 31 March 2024

	2023/24		2022/23	
Assets	**EUR**	**Rs Lacs**	EUR	Rs Lacs
A. Fixed assets				
I. Intangible assets				
1. Concessions, industrial property and similar rights and assets and licences in such rights and assets	**39,216**	**35.31**	46,158	41.11
2. Payments on account	**-**	**-**	-	-
II. Tangible assets				
1. Land, similar rights and buildings, including buildings on third-party land	**1,065**	**0.96**	1,902	1.69
2. Other equipment, factory and office equipment	**114,955**	**103.51**	125,079	111.39
	116,020	**104.47**	126,981	113.09
B. Current assets				
I. Stocks				
1. Finished goods and unfinished goods	**1,038,569**	**935.20**	1,052,897	937.70
	1,038,569	**935.20**	1,052,897	937.70
II. Debtors and other assets				
1. Trade debtors	**666,095**	**599.80**	328,228	292.32
2. Other assets	**3,098**	**2.79**	980	0.87
	669,193	**602.59**	329,207	293.19
III. Cash-in-hand, postal giro balances and bank balances	**291,899**	**262.85**	496,091	441.81
C. Prepaid expenses	**9,056**	**8.15**	11,890	10.59
	2,163,953	**1,948.57**	2,063,223	1,837.48

Equity and Liabilities

	2023/24		2022/23	
	EUR	**Rs Lacs**	EUR	Rs Lacs
A. Equity				
I. Subscribed capital	**716,469**	**645.16**	716,469	638.08
II. Unappropriated profits brought forward	**669,168**	**602.57**	329,577	293.52
III. Net income for the year	**263,863**	**237.60**	339,591	302.43
	1,649,500	**1,485.32**	1,385,637	1,234.03
B. Provisions				
1. Tax provisions	**136,611**	**123.01**	15,581	13.88
2. Other provisions	**253,690**	**228.44**	204,713	182.31
C. Creditors				
1. Trade creditors	**92,631**	**83.41**	93,576	83.34
2. Other creditors	**31,522**	**28.39**	363,716	323.92
	124,153	**111.80**	457,293	407.26
-of with taxes : EUR 24,781.50 (2023 : TEUR 36)				
	2,163,953	**1,948.57**	2,063,223	1,837.48

Exchange rate : as at 31st Mar 24 is 1 Euro = Rs. 90.0469

Exchange rate : as at 31st Mar 23 is 1 Euro = Rs. 89.0586

Rifox-Hans Richter GmbH Spezialarmaturen, Bremen (Germany)

Income Statement for Financial Year 2023-2024

	2023/24		2022/23	
	EUR	**Rs Lacs**	EUR	Rs Lacs
1. Turnover	**4,452,464**	**4,009.31**	3,877,743	3,453.47
2. Inventory changes- finished and unfinished goods	**(14,327)**	**(12.90)**	132,454	117.96
3. Other operating income	**84,385**	**75.99**	453,690	404.05
	4,522,522	**4,072.39**	4,463,887	3,975.48
4. Cost of materials				
a) Cost of raw materials, consumables and goods for resale	**750,247**	**675.57**	1,033,031	920.00
b) Cost for purchased services	**321,510**	**289.51**	161,965	144.24
	1,071,757	**965.08**	1,194,996	1,064.25
5. Staff costs				
a) Wages and salaries	**1,957,352**	**1,762.54**	1,875,199	1,670.03
b) Social security, pension and other benefits	**441,767**	**397.80**	383,480	341.52
	2,399,119	**2,160.33**	2,258,679	2,011.55
6. Amortisation and depreciation of fixed intangible and tangible assets	**42,847**	**38.58**	55,260	49.21
7. Other operating charges	**620,207**	**558.48**	595,856	530.66
	3,062,173	**2,757.39**	2,909,795	2,591.42
8. Other interest receivable and similar income	**1,446**	**1.30**	268	0.24
9. Interest payable and other similar charges	**3,949**	**3.56**	2,578	2.30
10. Income taxes	**121,411**	**109.33**	15,652	13.94
11. Profit on ordinary activities	**264,679**	**238.34**	341,134	303.81
12. Other taxes	**816**	**0.73**	1,544	1.37
13. Profit for the year	**263,863**	**237.60**	339,591	302.43

Fixed Asset Movement Schedule to March 31, 2024

	Book value April 1, 2023	**Additions**	**Reclassifications**	**Disposals**	**Depreciation**	**Write-up**	**Book value March 31, 2024**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
I. Intangible assets							
1. Concessions, industrial property and similar rights and assets, and licences in such rights and assets	46,158	-	-	-	6,942	-	39,216
2. Payments on account	-	-	-	-	-	-	-
	46,158	-	-	-	6,942	-	39,216
II. Tangible assets							
1. Land, similar rights and buildings including buildings on third party land	1,902	-	-	-	837	-	1,065
2. Other equipment, factory and office equipment	125,079	25,397	-	453	35,068	-	114,955
	126,981	25,397	-	453	35,905	-	116,020
	173,139	25,397	-	453	42,847	-	155,236

THERMAX SDN. BHD.
(Incorporated in Malaysia)

Board of Directors
Sandeep Shirsat
Sandeep Mandke

Registered Office
Unit 23A-2, Level 23A,
Oval Tower, Menara Permata,
No. 685, Jalan Damansara,
60000 Kuala Lumpur

Auditors
HLB LER LUM CHEW
A-23-1, Level 23, Hampshire Place Office,
157, Hampshire No. 1 Jalan Mayang Sari,
Off. Jalan Tun Razak, 50450
Kuala Lumpur, Malaysia

Bankers
Citi Bank, Malaysia

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended 31 March 2024.

Principal Activity

The principal activity of the Company is that of undertaking market research and business development in Malaysia as well as provision of erection, commissioning and supervision services.

There has been no significant changes in the nature of this principal activity during the financial year.

Financial Results

	RM
Profit for the financial year	82,188

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend to be paid for the financial year under review.

Reserves and Provisions

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

Issue of Shares and Debentures

There were no issuances of shares or debentures during the financial year under review.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year under review.

Directors

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Shirsat Sandeep Manohar

Mandke Sandeep Suresh

Directors' Interests in Shares or Debentures

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its holding company or subsidiaries of the holding company during the financial year except as follows:

	No. of ordinary shares			
	As at 1.4.2023	Acquired	Disposed	As at 31.3.2024
Interest in the intermediate holding company - Thermax Limited				
Direct interest				
Mandke Sandeep Suresh	75	-	-	75

Other than as disclosed above, according to the register of Directors' shareholdings, the Director in office at the end of the financial year did not hold any interest in shares or debentures in the Company or its holding company or subsidiaries of the holding company during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Remuneration

Directors' remuneration is as follows:

	RM
Director's remuneration	
- Salary and allowances	273,801
- Benefits in kind	89,778
	363,579

Auditors' Remuneration

Auditor's remuneration is as follows:

	RM
HLB Ler Lum Chew PLT	
- Statutory audit	6,500

Indemnity and Insurance for Directors and Officers

There was no indemnity given to or insurance effected for Directors or officers of the Company in accordance with Section 289 of the Companies Act, 2016.

THERMAX SDN. BHD.
(Incorporated in Malaysia)

Other Statutory Information

Before the financial statements of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

(ii) the values attributed to the current assets in the financial statements of the Company misleading; or

(iii) adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate;

(iv) or any amount stated in the financial statements of the Company misleading.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations when they fall due.

At the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

(i) the results of the operations of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Immediate Holding Company

The immediate holding company is Thermax Engineering Singapore Pte. Ltd., a company incorporated and domiciled in Singapore.

Intermediate Holding Company

The intermediate holding company is Thermax Limited, a company incorporated and domiciled in India.

Ultimate Holding Company

The Directors regard RDA Holdings Pvt. Ltd., a company incorporated in India, as the ultimate holding company.

Auditors

The auditors, HLB Ler Lum Chew PLT (201906002362 & AF0276), have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors.

SHIRSAT SANDEEP MANOHAR
KUALA LUMPUR

MANDKE SANDEEP SURESH
INDIA

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, SHIRSAT SANDEEP MANOHAR and MANDKE SANDEEP SURESH, being the Directors of THERMAX SDN. BHD., do hereby state that, in the opinion of the Directors, the financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2024 and of its financial performance and cash flows for the financial year then ended.

Signed in accordance with a resolution of the Directors.

SHIRSAT SANDEEP MANOHAR
KUALA LUMPUR

MANDKE SANDEEP SURESH
INDIA

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT, 2016

I, SHIRSAT SANDEEP MANOHAR, being the Director primarily responsible for the financial management of THERMAX SDN. BHD., do solemnly and sincerely declare that the financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed SHIRSAT SANDEEP MANOHAR

at

on this date of

SHIRSAT SANDEEP MANOHAR

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF THERMAX SDN. BHD.

Registration No.: 201101016787 (944923-K)

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of THERMAX SDN. BHD., which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 11 to 38.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities* for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HLB LER LUM CHEW PLT	TANG YAN YU
201906002362 & AF 0276	03452/10/2025 J
Chartered Accountants	Chartered Accountant

Dated: 26 April 2024
Kuala Lumpur

THERMAX SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	NOTE	2024		2023	
		RM	Rs Lacs	RM	Rs Lacs
Revenue	14	**2,230,297**	**393.54**	7,478,534	1,393.36
Cost of sales		**(1,937,546)**	**(341.88)**	(6,816,538)	(1,270.02)
Gross Profit		**292,751**	**51.66**	661,996	123.34
Other Operating income		**1,196,067**	**211.05**	1,473,828	274.60
Administration Expenses		**(1,353,142)**	**(238.76)**	(1,604,121)	(298.87)
Finance Costs	15	**(1,890)**	**(0.33)**	-	-
Profit Before Taxation	16	**133,786**	**24**	531,703	99.06
Taxation	17	**(51,598)**	**(9.10)**	(167,771)	(31.26)
Profit / Total comprehensive income for the financial year		**82,188**	**14.50**	363,932	67.81

The accompanying notes form an integral part of the financial statements
Exchange Rate : as at 31 March 2024 is 1 RM = Rs 17.64
Exchange Rate : as at 31 March 2023 is 1 RM = Rs 18.63

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	NOTE	2024		2023	
		RM	Rs Lacs	RM	Rs Lacs
Non-Current assets					
Property, Plant and Equipment	3	**4,043**	**0.71**	3,031	0.56
Right-of-use asset	4	**22,715**	**4.01**	-	-
		26,758	**4.72**	3,031	0.56
Current Assets					
Trade Receivables	5	**394,567**	**69.62**	499,099	92.99
Other Receivables	6	**33,409**	**5.90**	90,733	16.90
Amount owing by customers on contracts	7	**452,861**	**79.91**	437,874	81.58
Amount owing by immediate Holding Company	8	**478,590**	**84.45**	843,459	157.15
Amount owing by Director	9	**2,834**	**0.50**	6,114	1.14
Tax Recoverable		**78,965**	**13.93**	56,395	10.51
Cash & Bank Balance		**860,901**	**151.91**	1,440,039	268.30
		2,302,127	**406.21**	3,373,713	628.57
Current Liabilities					
Trade Payable	10	**678,701**	**119.76**	1,476,447	275.08
Other Payables	11	**23,659**	**4.17**	295,397	55.04
Provision for taxation		**-**	**-**	-	-
Contract Liabilities	7	**218,487**	**38.55**	302,370	56.34
Lease Liability	12	**23,320**	**4.11**	-	-
		944,167	**166.60**	2,074,214	386.46
Net Current assets		**1,357,960**	**239.61**	1,299,499	242.12
		1,384,718	**244.34**	1,302,530	242.68
Financed By:					
Share Capital	13	**500,000**	**88.23**	500,000	93.16
Retained Profits		**884,718**	**156.11**	802,530	149.52
Shareholder's fund		**1,384,718**	**244.34**	1,302,530	242.68

The accompanying notes form an integral part of the financial statements
Approved by the Board of Directors on 26th April, 2024 and signed on its behalf by:

Sandeep Shirsat
Director

Sandeep Mandke
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

	Share Capital		Retained Profits		Total	
	RM	Rs Lacs	RM	Rs Lacs	RM	Rs Lacs
At 1 April 2023	**500,000**	**88.23**	**802,530**	**141.61**	**1,302,530**	**229.83**
Profit / Total comprehensive income for the year	**-**	**-**	**82,188**	**14.50**	**82,188**	**14.50**
At 31 March 2024	**500,000**	**88.23**	**884,718**	**156.11**	**1,384,718**	**244.34**
At 1 April 2022	500,000	93.16	438,598	81.72	938,598	174.88
Profit / Total comprehensive income for the year	-	-	363,932	67.81	363,932	67.81
At 31 March 2023	500,000	93.16	802,530	149.52	1,302,530	242.68

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	2024		2023	
	RM	**Rs Lacs**	RM	Rs Lacs
Cash Flows From Operating Activities				
Profit before taxation	**133,786**	**23.61**	531,703	99.06
Adjustments for:-				
Depreciation of property, plant and equipment	**1,387**	**0.24**	907	0.17
Depreciation of right-of-use asset	**22,715**	**4.01**	-	-
Expected credit losses allowance				
- Trade receivables	**10,000**	**1.76**	-	-
- Contract assets	**(6,440)**	**(1.14)**	10,360	1.93
Other receivables written-off	**-**	**-**	12,751	2.38
Waiver of Debts	**(41,571)**	**(7.34)**	-	-
Unrealised loss on foreign exchange	**39,165**	**6.91**	1,617	0.30
Finance Costs	**1,890**	**0.33**	-	-
Operating profit before working capital changes	**160,932**	**28.40**	557,338	103.84
Changes in working capital				
Trade receivables	**94,532**	**16.68**	(509,459)	(94.92)
Other receivables	**57,324**	**10.11**	(68,098)	(12.69)
Amount owing by customers on contracts	**(92,430)**	**(16.31)**	379,757	70.75
Amount owing by immediate holding company	**364,869**	**64.38**	(437,196)	(81.46)
Trade payables	**(795,340)**	**(140.34)**	1,436,143	267.58
Other Payables	**(271,738)**	**(47.95)**	(1,456,167)	(271.31)
Amount Owing to a Director	**3,280**	**0.58**	(5,194)	(0.97)
	(639,503)	**(112.84)**	(660,214)	(123.01)
Cash used in operations	**(478,571)**	**(84.44)**	(102,876)	(19.17)
Tax paid	**(110,905)**	**(19.57)**	(185,627)	(34.59)
Tax refund	**36,737**	**6.48**	-	-
Net cash used in operating activities	**(552,739)**	**(98)**	(288,503)	(53.75)
Cash flows from Investing Activities				
Purchase of property,plant and equipment	**(2,399)**	**(0.42)**	-	-
Net cash used in investing activities	**(2,399)**	**(0.42)**	-	-
Cash Flows from Financing Activity				
Payment of lease liability (Note 'a')	**(24,000)**	**(4.23)**	-	-
Net cash used in financing activity	**(24,000)**	**(4.23)**	-	-
Net decrease in cash and cash equivalents	**(579,138)**	**(102)**	(288,503)	(54)
Cash and cash equivalents at the beginning of the financial year	**1,440,039**	**254.10**	1,728,542	322.05
Cash and cash equivalents at end of the financial year	**860,901**	**151.91**	1,440,039	268.30
Cash and cash equivalents at end of the financial year comprises:				
Cash & Bank Balances	**860,901**	**151.91**	1,440,039	268.30

The accompanying notes form an integral part of the financial statements.

(a) The reconciliation of liability arising from financing activity is as follows:

	Lease liability			
	2024		**2023**	
	RM	**Rs Lacs**	**RM**	**Rs Lacs**
At 1 April	**-**	**-**	**-**	**-**
Addition of right-of-use asset	45,430	8.02	-	-
Finance costs	1,890	0.33	-	-
Repayment of lease liabilities	-24,000	(4.23)	-	-
At 31 March	**23,320**	**4.11**	**-**	**-**

THERMAX SDN. BHD.
(Incorporated in Malaysia)

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

1. Corporate Information

The principal activity of the Company is that of undertaking market research and business development in Malaysia as well as provision of erection, commissioning and supervision services.

There has been no significant changes in the nature of this principal activity during the financial year.

The registered office and principal place of business of the Company is located at Unit 23A-2, Level 23A, Oval Tower, Menara Permata, No. 685, Jalan Damansara, 60000 Kuala Lumpur.

The Company is a private limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia.

The immediate holding company is Thermax Engineering Singapore Pte. Ltd., a company incorporated and domiciled in Singapore.

The intermediate holding company is Thermax Limited, a company incorporated and domiciled in India.

The Directors regard RDA Holdings Pvt. Ltd., a company incorporated in India, as the ultimate holding company.

2. Basis of Preparation and Significant Accounting Policies

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in summary of material accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported year. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(b) to the financial statements.

Accounting standard and amendments to accounting standards that are effective for the Company's financial year beginning on or after 1 April 2023 are as follows:

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts" (Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Disclosure of Accounting Policies)
- Amendments to MFRS 108, "Accounting Policies, Changes in Accounting Estimates and Errors" (Definition of Accounting Estimates)
- Amendments to MFRS 112, "Income Taxes" (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The above accounting standard and amendments to accounting standards effective during the financial year do not have any material impact to the financial results and position of the Company.

Amendments to accounting standards that are applicable for the Company in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2024

- Amendments to MFRS 16, "Leases" (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Non-current Liabilities with Covenants)
- Amendments to MFRS 107 "Statement of Cash Flows" and MFRS 7 "Financial Instruments: Disclosures" (Supplier Finance Arrangements)

Annual periods beginning on/after 1 January 2025

- Amendments to MFRS 121 "The Effects of Changes in Foreign Exchange Rates" (Lack of Exchangeability)

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10, "Consolidated Financial Statements" and MFRS 128, "Investments in Associates and Joint Ventures" (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The adoption of the amendments to accounting standards are not expected to have any material impact to the financial statements of the Company.

(b) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Revenue recognition from construction contracts

The Company recognises revenue from construction contracts over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation using the input method. The input method recognises revenue based on direct measurements of the value transferred by the Company to the customer and the Company's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining:

- the completeness and accuracy of the budgets;
- the extent of the costs incurred.

Substantial changes in cost estimates in future period can have a significant effect on the Company's revenue recognised. In making the above judgement, the Company relies on past experience and work of specialists.

(c) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the translation reserve.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss, except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income.

The principal closing rates used in translation of foreign currency amounts at the financial position were:

	2024	2023
	RM	RM
Foreign currency		
United States Dollar ("USD")	4.7205	4.4170

(d) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent 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 are recognised as expenses in profit or loss during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in net in profit or loss.

(ii) Depreciation and impairment

Property, plant and equipment are depreciated on the straight line method to allocate the cost less its residual values over their estimated useful lives as follows:

Office equipment	5 -10 years

Depreciation methods, useful lives and residual values are reviewed at end of each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three month or less, and are used by the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(f) Financial instruments

(i) Classification

The Company classifies its financial assets at amortised cost.

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Subsequent measurement

<u>Debt instruments</u>

Debt instruments mainly comprise of trade and other receivables, amount owing by holding company and cash and cash equivalents.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(iv) Impairment

The Company assesses expected credit losses associated with its debt instruments carried at amortised cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Company expects to receive, over the remaining life of the financial instrument.

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

In measuring expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Company defines a financial instrument as default, which is aligned with the definition of credit-impaired, when the debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Company considers the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity.

(g) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Finance liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

Fair value though profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(h) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

Other shares that carry mandatory dividend payments and mandatory redemption are classified as financial liabilities or a compound instrument according to the economic substance of the instrument.

(i) Leases

(i) Accounting by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Company.

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(j) Current and deferred income tax

Income tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(k) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Company transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Company and its customer have approved the contract and intend to perform their respective obligations, the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

Construction contracts

Revenue from construction activities is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Company's performance creates and enhances an asset that the customer controls as the Company performs.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

Incremental costs of obtaining a contract, if recoverable, are capitalised as contract assets and are subsequently amortised consistently with the pattern of revenue for the related contract.

(l) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss in the period to which they relate.

3. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	
	2024	**2023**
	RM	**RM**
Cost		
At 1 April	4,920	4,920
Addition	2,399	-
At 31 March	**7,319**	**4,920**
Accumulated depreciation		
At 1 April	1,889	982
Charge for the financial year	1,387	907
At 31 March	**3,276**	**1,889**
Carrying amount		
At 31 March	**4,043**	**3,031**

4. RIGHT OF USE ASSET

	Office	
	2024	**2023**
	RM	**RM**
Cost		
At 1 April	-	-
Addition	45,430	-
At 31 March	**45,430**	**-**
Accumulated depreciation		
At 1 April	-	-
Charge for the financial year	22,715	-
At 31 March	**22,715**	**-**
Carrying amount		
At 31 March	**22,715**	**-**

5. Trade Receivables

	2024	2023
	RM	RM
Trade receivables	**404,567**	499,099
Less: Expected credit loss allowance	**(10,000)**	-
	394,567	499,099

The receivables are non-interest bearing and the Company does not grant credit term to customers. As such, invoices are due for payment upon issuance.

6. Other Receivables

	2024	2023
	RM	RM
Other receivables	7,204	16,248
Deposits	22,171	24,485
Prepayment	4,034	50,000
	33,409	90,733

7. Contract Assets/(Contract Liabilities)

	2024	2023
	RM	RM
Aggregate costs incurred to date	8,760,345	8,134,637
Add: Attributable profit	681,361	759,859
	9,441,706	8,894,496
Less: Progress billings	(9,203,412)	(8,748,632)
Less: Expected credit loss allowance	(3,920)	(10,360)
	234,374	135,504
Represented by:		
- Contract assets	452,861	437,874
- Contract liabilities	(218,487)	(302,370)
	234,374	135,504

Movement on the expected credit loss allowances on contract assets is as follows:

	2024	2023
	RM	RM
At beginning of the financial year	10,360	-
Charge during the financial year	3,920	10,360
Reversal during the financial year	(10,360)	-
At end of the financial year	3,920	10,360
Represented by:		
Lifetime expected credit loss	3,920	10,360

Unsatisfied long-term contracts

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied as at the reporting date of the Company was RM624,764 (2023: RM1,503,690) of which the Company expects to be recognised as revenue over the next 12 months (2023: 12 months).

8. Amount Owing by Holding Company

This represents non-trade, unsecured, interest free and repayable on demand owing by intermediate holding company.

9. Amount Owing by a Director

This represents unsecured, interest-free advances to a Director for carrying out his duties.

10. Trade Payable

	2024	2023
	RM	RM
Trade payables	644,926	1,399,672
Accrued purchases	33,775	76,775
	678,701	1,476,447

The normal trade credit terms granted to the Company range from 30 days to 45 days (2023: 30 to 45 days).

Included in trade payables of the Company is an amount of RM631,488 (2023: RM1,116,957) payable to intermediate holding company.

The currency exposure profile of trade payables are as follows:

	2024	2023
	RM	RM
Ringgit Malaysia	47,213	401,061
United States Dollar	631,488	1,075,386
	678,701	1,476,447

11. Other Payables

	2024	2023
	RM	RM
Other payables	-	4,801
Advances received from customers	7,500	261,716
Accruals	16,159	28,880
	23,659	295,397

12. Lease Liability

	2024	2023
	RM	RM
Repayable within twelve months	23,320	-

13. Share Capital

	Number of ordinary shares		Amount	
	2024	2023	2024	2023
	Units	Units	RM	RM
Issued and fully paid				
At 1 April/31 March	500,000	500,000	500,000	500,000

14. Revenue

Breakdown of revenue recognised from contracts with customers is as follows:

	2024	2023
	RM	RM
Revenue recognised from contracts with customers:		
Erection, commissioning and supervising activities	2,230,297	7,478,534
Geographical market		
Malaysia	2,230,297	7,478,534
Timing of revenue recognition		
Over time	2,230,297	7,478,534

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

15. Finance Cost

	2024	2023
	RM	RM
Interest expense on:		
- lease liability	1,890	-

16. Profit Before Taxation

Profit before taxation is derived after charging:

	2024	2023
	RM	RM
Auditors' remuneration		
- Current year	6,500	11,500
- Under provision in prior year	-	700
Depreciation of property, plant and equipment	1,387	907
Depreciation of right-of-use asset	22,715	-
Directors' remuneration:		
- Salary and allowances	273,801	270,913
- Benefits in kind	89,778	88,668
Net provision/(reversal) of expected credit loss allowances on:		
- trade receivables	10,000	-
- contract assets	(6,440)	10,360
Other receivables written-off	-	12,751
Office rental	100	18,000
Realised loss on foreign exchange	43,007	36,072
Unrealised loss on foreign exchange	39,165	1,617
Waiver of debts	(41,571)	-

17. Taxation

	2024	2023
	RM	RM
Current taxation:		
- Current year	10,870	158,076
- Under provision in prior years	40,728	9,695
	51,598	167,771

Income tax is calculated at the statutory rate of 24% (2023: 24%) on the chargeable income of the estimated assessable profit for the financial year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to the income tax expense at the effective income tax rate of the Company is as follows:

	2024	2023
	RM	RM
Profit before taxation	133,786	531,703
Taxation on statutory tax rate of 24% (2023: 24%)	32,109	127,609
Changes in unrecognised temporary differences	(50,265)	2,694
Expenses not deductible for tax purposes	29,026	27,773
Under provision of taxation in prior years	40,728	9,695
Taxation for the financial year	51,598	167,771

The deductible temporary differences of the Company for which no deferred tax assets were recognised in the statement of financial position are as follows:

	2024	2023
	RM	RM
Deferred tax assets		
- advances received from customers	1,800	62,682
- lease liability	5,597	-
- provisions	3,341	2,486
- unrealised foreign exchange difference	11,021	1,621
	21,759	66,789
Offsetting	(5,962)	(727)
Net deferred tax assets not recognised	15,797	66,062
Deferred tax liabilities		
- property, plant and equipment	510	727
- right-of-use asset	5,452	-
	5,962	727
Offsetting	(5,962)	(727)
Net deferred tax liabilities	-	-

18. Staff Costs

	2024	2023
	RM	RM
Staff costs (excluding Directors)	543,649	677,050

Included in staff costs of the Company (excluding Directors) is contributions made to the Employees Provident Fund under a defined contribution plan amounting to RM40,435 (2023: RM41,886).

The total number of employees of the Company (excluding Directors) at the end of the financial year was 3 (2023: 5).

19. Significant Related Party Transactions

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions are as follows:

	2024	2023
	RM	RM
Administration fee charged to intermediate holding company	1,153,909	1,473,828
Purchase of equipment from intermediate holding company	-	3,908,584

The remuneration of Director during the financial year is disclosed in Note 16 to the financial statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

20. Financial Instruments

The table below provides an analysis of financial instruments and their categories in which they are subsequently measured:

	2024	2023
	Amortised costs	Amortised costs
	RM	RM
Financial assets		
Trade receivables	**394,567**	499,099
Other receivables	**29,375**	40,733
Amount owing by holding company	**478,590**	843,459
Amount owing by a Director	**2,834**	6,114
Cash and bank balances	**860,901**	1,440,039
	1,766,267	2,829,444
Financial liabilities		
Trade payables	**678,701**	1,476,447
Other payables	**23,659**	295,397
Lease liability	**23,320**	-
	725,680	1,771,844

Financial risk management objectives and policies

The Company financial risk management policy is to ensure that adequate financial resources are available for the development of the Company's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty of a financial asset fails to meet its contractual obligations. The Company's exposure to credit risk arises mainly from trade and other receivables, contract assets and intercompany receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of receivables and contract assets ageing.

The maximum exposure to credit risk for the Company is the carrying amount of the financial assets shown in the statement of financial position.

The ageing analysis of the Company's trade receivables is as follows

	2024	2023
	RM	RM
Past due 1 – 12 months but not individually impaired	**394,116**	498,648
Past due more than 1 year but not individually impaired	**451**	451
	394,567	499,099
Individually impaired	**10,000**	-
	404,567	499,099

The Company's trade receivables of RM394,567 (2023: RM499,099) that are past due at the reporting date but not impaired relate mainly to customers who have never defaulted on payments but are slow paymasters and are periodically monitored.

The Company's trade receivables of RM10,000 (2023: Nil) were individually impaired. The individually impaired receivable relates to trade receivable which is facing cash flows difficulties.

At the reporting date, the Company's concentration of the top 1 (2023: top 2) trade customers of the Company represents 97% (2023: 95%) of the total trade receivables.

Movement on the expected credit loss allowances on trade receivables is as follows:

	2024	2023
	RM	RM
At beginning of the financial year	**-**	-
Charge during the financial year	**10,000**	-
At end of the financial year	**10,000**	-
Represented by:		
Individually impairment	**10,000**	-

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from trade and other payables.

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount	Contractual interest rate	Contractual cash flow	On demand or within one year
	RM	%	RM	RM
2024				
Trade payables	**678,701**	-	**678,701**	678,701
Other payables	**23,659**	-	**23,659**	23,659
Lease liability	**23,320**	-	**24,000**	24,000
	725,680		**726,360**	726,360
2023				
Trade payables	**1,476,447**	-	**1,476,447**	1,476,447
Other payables	**295,397**	-	**295,397**	295,397
	1,771,844		**1,771,844**	1,771,844

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Company's financial position and cash flows.

(a) Foreign currency exchange risk

The Company is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency. The currencies give rise to this risk is primarily United States Dollar ("USD"). Foreign currency exchange risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Company's exposure to foreign currency exchange risk, denominated in USD, based on carrying amounts as at the end of the reporting period was:

	2024	2023
	RM	RM
Trade payables	**631,488**	1,075,386

The following shows the sensitivity of the Company's equity and profit net of tax to a reasonably possible change in the USD exchange rates against the functional currency, with all other variables remain constant.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

	Increase/(decrease) Profit net of tax	
	2024	2023
	RM	RM
USD/RM - strengthening 1%	**(4,799)**	(8,173)
USD/RM - weakening 1%	**4,799**	8,173

Fair value information

The carrying amounts of cash and bank balances, trade and other receivables, amount owing by holding company, amount owing by a Director, trade and other payables are carried at their approximate fair values due to the relatively short term nature of these financial instruments.

The Company does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be settled. Therefore, the fair value hierarchy is not presented.

21. Capital Management

The objective of the Company's capital management is to ensure that it maintains a strong credit rating and safeguard the Company's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise its shareholders value.

During the financial year, the Company is not subject to externally imposed capital requirement as it does not have any external borrowings.

22. Date of Authorisation for Issue

The financial statements of the Company for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 26 April 2024.

BOILERWORKS A/S

Board of Directors
Mahesh Channakeshaviah Bukinkere (Chairman)
Swapnil Vitthal Dhumane (Vice chairman)
Peter Overgaard

Registered Office
Industrivej Nord 13,
7400 Herning

Auditors
Ernst & Young
Godkendt Revisionspartnerselskab
Bavnehøjvej 5
DK 6700 Esbjerg

Executive Directors
Peter Overgaard

Bankers
Citi Bank
Sydbank

Management Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Boilerworks A/S for the financial year 1 April 2023 - 31 March 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2024 of the Company and of the results of the Company operations for 2023/24.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herning, 6 June 2024

Executive Board:

Peter Overgaard

Board of Directors:

Mahesh Channakeshaviah Bukinkere
Chairman

Swapnil Vitthal Dhumane
Vice chairman

Peter Overgaard

Independent Auditor's Report

To the shareholder of Boilerworks A/S

Opinion

We have audited the Financial Statements of Boilerworks A/S for the financial year 1 April 2023 - 31 March 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2024 and of the results of the Company´s operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report.

Independance

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs and the additional requirements applicable in Denmark 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 Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.
- 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 in preparing the Financial Statements 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 contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view..

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Esbjerg, 6 June 2024

EY

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Claes Jensen

State Authorised Public Accountant

mne44108

Company details

Name	Boilerworks A/S
Address, Postal code, City	Industrivej Nord 13, 7400 Herning
CVR no.	35 22 67 88
Financial year	1 April 2023 - 31 March 2024
Municipality of reg. office	Herning
Board of Directors	Mahesh Channakeshaviah Bukinkere, chairman
	Swapnil Vitthal Dhumane, vice chairman
	Peter Overgaard
Executive Board	Peter Overgaard
Auditors	EY
	Godkendt Revisionspartnerselskab
	Bavnehøjvej 5,
	6700 Esbjerg

Management review

Key activities

Boilerworks A/S, which has its registered address in the Danish municipality of Herning, is a fully owned subsidiary of Thermax Denmark ApS. The ultimate parent company of the company is RDA Holdings Private Limited, Pune, India, which holds the majority through the listed company Thermax Ltd., Pune, India.

Boilerworks A/S designs, produces and supplies high-pressure boilers and components to power stations, waste-fuelled and biomass-fuelled plants as well as petrochemical plants. Moreover, the Company manufactures a wide variety of heat exchangers and flue-gas coolers.

The maintenance of boiler systems is one of Boilerworks' specialties. This includes everything from simple repairs to extensive maintenance planning, modernisation and optimisations of the system, installation of new components and control systems.

Development in the year

The income statement of the Company for 2023/24 shows a loss of TDKK 465, and at 31 March 2024 the balance sheet of the Company shows a negative equity of TDKK 4,983.

All projects has been closed.

Capital resources

Management is aware that the Company is subject to capital loss regulations in the Danish Companies Act § 119. Management expects that the capital will be re-established through capital contributions.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

BOILERWORKS A/S

Financial Statement 31 March 2024
Balance Sheet

	NOTE	2023/24		2022/23	
		DKK'000	Rs Lacs	DKK'000	Rs Lacs
ASSETS					
Trade receivables		-	-	103	12.32
Contract work in progress		-	-	2,419	289.29
Receivables from group enterprise		519	62.63	-	-
Other receivables		-	-	17	2.03
Deferred Tax Assets		2,619	316.05	2,663	318.47
Corporation tax receivable from group enterprises		175	21.12	-	-
Receivables		**3,313**	**399.80**	5,202	622.11
Cash at bank and in hand		**73**	**8.81**	165	19.73
Total current assets		**3,386**	**408.61**	5,367	641.84
Total assets		**3,386**	**408.61**	5,367	641.84
EQUITY AND LIABILITIES					
Share capital		**500**	**60.34**	500	59.80
Retained earnings		**(5,483)**	**(661.67)**	(5,018)	(600.11)
Equity		**(4,983)**	**(601.33)**	(4,518)	(540.31)
Other provisions					
Provisions		-	-	432	51.66
		-	-	432	51.66
Lease obligations		-	-	70	8.37
Trade payables		-	-	11	1.32
Payables to group enterprises		**5,695**	**687.26**	6,823	815.97
Other payables		**2,674**	**322.69**	2,549	304.84
Short-term debt		**8,369**	**1,009.95**	9,453	1,130.49
Total Equity And liabilities		**3,386**	**408.61**	5,367	641.84
Uncertainty relating to recognition and measurement	1				
Contingent assets, liabilities and other financial obligations	5				
Related parties	6				
Accounting Policies	7				

Income Statement 1st April 2023 - 31 March 2024

	Note	2023/24		2022/23	
		DKK'000	Rs Lacs	DKK'000	Rs Lacs
Gross profit / loss		**(168)**	**(20.27)**	166	19.85
Administrative expenses		**(98)**	**(11.83)**	(207)	(24.76)
Operating (Loss)/ Profit		**(266)**	**(32.10)**	(41)	(4.90)
Financial income	2	**9**	**1.09**	41	4.90
Financial expenses	3	**(339)**	**(40.91)**	(219)	(26.19)
Profit / (Loss) before tax		**(596)**	**(71.92)**	(219)	(26.19)
Tax on profit / (loss) for the year	4	**131**	**15.81**	50	5.98
Profit / (Loss) for the year		**(465)**	**(56.11)**	(169)	(20.21)

Distribution of Profit1st April 2023 - 31 March 2024

	Note	2023/24		2022/23	
		DKK'000	Rs Lacs	DKK'000	Rs Lacs
Proposed distribution of profit		**(465)**	**(56.11)**	(169)	(20.21)
Retained earnings		**(465)**	**(56.11)**	(169)	(20.21)

Statement of Changes in Equity

	Share Capital		Retained earnings		Total Equity	
	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs
Equity at 1 April	500	60.34	(5,018)	(605.56)	(4,518)	(545.22)
Net profit/ (loss) for the year	-	-	(465)	(56.11)	(465)	(56.11)
Equity at 31 March 2024	**500**	**60.34**	**(5,483)**	**(661.67)**	**(4,983)**	**(601.33)**

Exchange rate : as at 31st Mar 24 is 1 DKK = Rs. 12.0677

Exchange rate : as at 31st Mar 23 is 1 DKK = Rs. 11.9591

NOTES TO THE FINANCIAL STATEMENTS

1. Capital resources

The Company is financed by payables to group companies. Group companies have declared that such payables will not be withdrawn unless sufficient cash resources in the company is available.

2. Financial income

	2023/24 TDKK	2022/23 TDKK
Interest received from group enterprises	**0**	37
Other financial income	**9**	4
	9	41

3. Financial expenses

	2023/24 TDKK	2022/23 TDKK
Interest paid to group enterprises	**255**	104
Other financial expenses	**84**	115
	339	219

4. Income tax expense

	2023/24 TDKK	2022/23 TDKK
Current tax for the year	**-175**	-5
Deferred tax for the year	**44**	-45
	-131	-50

5. Contingent assets, liabilities and other financial obligations

Guarantee obligations

Performance bonds and advance payment guarantees issued by guarantors' amount to DKK 1,563 thousand.

Other contingent liabilities

The Company is jointly taxed with the Danish parent company and Danish subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest, and royalties.

6. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Thermax Denmark ApS	Denmark

Requisitioning of the parent company's consolidated financial statements:

www.cvr.dk

7. Accounting policies

The Annual Report of Boilerworks A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Production expenses

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Production expenses also include research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs. Finally, provisions for losses on contract work are recognised.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises of revenue, production expenses and other operating income.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with other group entities. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Cash

Cash comprise cash.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognized development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Joint taxation contributions payable and receivable are recognised in the balance sheet under balances with group enterprises.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities..

PT THERMAX INTERNATIONAL INDONESIA

Board of Commissioner
Rajendran Arunachalam
Commissioner

Board of Directors
Hemant Yashodhar Joshi
Dinesh Satyanarayanji Mandhana
Mahesh Channakeshaviah Bukinkere

Registered Office
Menara Palma 9th Floor Unit 9-02B/03,
Jl. H.R. Rasuna Said Blok. X Kav. 6,
South Jakarta 12950.

Auditors
Purwantono, Sungkoro & Surja
Indonesia Stock Exchange Building, Tower 2,
7th floor, Jl Jend Sudirman, Kav 52-53,
Jakarta 12190 - Indonesia.

Bankers
Citi Bank,NA.
PT- Mandiri Bank
PT Bank Negara

STATEMENT OF DIRECTORS REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS AS OF MARCH 31, 2024

PT THERMAX INTERNATIONAL INDONESIA

I, the undersigned below

Hemant Yashodhar Joshi
A-3/802, oxford village classic
Wanowrie, Pune
+91 8551838000
Director

confirm that:

1. I am responsible for the preparation and the presentation of the financial statements of PT Thermax International Indonesia (the "Company");
2. The financial statements of the Company for the year ended March 31, 2024 have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in financial statements of the Company has been fully disclosed in a complete and truthly manner;

   b. The financial statements of the Company do not contain false material information or facts, nor do they omit any material information or facts;
4. I am responsible for the Company's internal control system

This statement is made truthfully.

Hemant Yashodhar Joshi

Director

Jakarta

May 13, 2024

INDEPENDENT AUDITORS' REPORT

Report No. 01414/2.1032/AU.1/10/0687 -7/1/V/2024

The Shareholders, the Commissioner, and the Board of Directors

PT Thermax International Indonesia

Opinion

We have audited the accompanying financial statements of PT Thermax International Indonesia (the "Company"), which comprise the statement of financial position as of March 31, 2024, and the statements of profit or loss and other comprehensive loss, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants ("IICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with such requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 its operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent 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 Standards on Auditing established by the IICPA 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 financial statements.

As part of an audit in accordance with Standards on Auditing established by the IICPA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to such 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our independent 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 financial statements, including the disclosures, and whether the 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 auditfindings, including any significant deficiencies in internal control that we identify during our audit.

KAP, Purwantono, Sungkoro & Surja

Agung Purwanto
Public Accountant Registration No. AP. 0687
May 13, 2024

PT THERMAX INTERNATIONAL INDONESIA

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

ASSETS	Note No	As at March 31, 2024		As at March 31, 2023	
		Rp'000	Rs Lakhs	Rp'000	Rs Lakhs
CURRENT ASSETS					
Cash on hand and in banks	4	**743,529**	**39.10**	12,823,477	702.90
Trade Receivables	5	**39,922,740**	**2,099.34**	19,721,889	1,081.02
Unbilled Receivables	6	**26,326,237**	**1,384.37**	66,433,471	3,641.43
Advances and prepayments		**7,710,975**	**405.48**	4,798,922	263.04
Inventories	7	**8,192,944**	**430.83**	14,269,044	782.13
Prepaid Taxes	14a	**7,192,181**	**378.20**	4,444,404	243.61
Other receivables		**2,865,169**	**150.67**	41,884	2.30
Shareholder receivables	22a	**20,000,000**	**1,051.70**	-	-
Finance lease receivables - current	10	**3,388,261**	**178.17**	3,259,316	178.65
Total current assets		**116,342,036**	**6,117.86**	125,792,407	6,895.09
NON-CURRENT ASSETS					
Advances and prepayments		**285,932**	**15.04**	285,932	15.67
Estimated claim for refundable tax	14b	**3,596,935**	**189.15**	2,726,843	149.47
Fixed assets, net	8	**131,056,887**	**6,891.64**	135,543,119	7,429.55
Right-of-use assets, net	9	**380,682**	**20.02**	888,258	48.69
Intangible asset, net		**-**	**-**	4,568	0.25
Finance lease receivable - non current	10	**15,097,666**	**793.91**	18,614,871	1,020.34
Total non-current assets		**150,418,102**	**7,909.75**	158,063,591	8,663.97
TOTAL ASSETS		**266,760,138**	**14,027.61**	283,855,998	15,559.06
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Bank overdraft	15	**13,363,186**	**702.70**	39,399	2.16
Trade payables	11	**20,426,255**	**1,074.12**	36,265,520	1,987.83
Unearned revenue	12	**47,272,636**	**2,485.84**	70,911,885	3,886.91
Taxes Payable	14c	**793,071**	**41.70**	368,296	20.19
Accrued expenses and other payables	13	**30,927,704**	**1,626.34**	37,506,409	2,055.85
Leased Liabilities - current	9	**291,999**	**15.35**	381,316	20.90
Provision for warranties - current	16	**1,660,024**	**87.29**	1,575,738	86.37
Other Current liability	10	**54,799**	**2.88**	54,800	3.00
Loans from related party - current	22c	**-**	**-**	22,593,000	1,238.39
Total current liabilities		**114,789,674**	**6,036.23**	169,696,363	9,301.60
NON-CURRENT LIABILITIES					
Long-term employee benefit liabilities		**1,122,036**	**59.00**	990,780	54.31
Provision for warranties - non current	16	**197,168**	**10.37**	336,757	18.46
Other non-current financial liability	10	**601,229**	**31.62**	545,705	29.91
Other non-current liabilities	10	**646,585**	**34.00**	453,418	24.85
Lease liability - non current	9	**-**	**-**	422,608	23.16
Total non-current liabilities		**2,567,018**	**134.99**	2,749,268	150.70
TOTAL LIABILITIES		**117,356,692**	**6,171.22**	172,445,631	9,452.30
EQUITY					
Share capital					
Authorised - 354,000 shares issued and fully paid up 354,000 shares, with par value of Rp1,000,000 per share (2023: 280,000 shares issued and fully paid up - 273,000 shares, with par value of Rp1,000,000 per share)	17	**354,000,000**	**18,615.13**	273,000,000	14,964.01
Accumulated losses		**(204,596,554)**	**(10,758.73)**	(161,589,633)	(8,857.25)
TOTAL EQUITY		**149,403,446**	**7,856.40**	111,410,367	6,106.76
TOTAL LIABILITIES AND EQUITY		**266,760,138**	**14,027.61**	283,855,998	15,559.06

Exchange Rate: as at 31 March 2024 is 1 IDR = INR 0.00526
Exchange Rate: as at 31 March 2023 is 1 IDR = INR 0.00548

The accompanying notes to the financial statements form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR ENDED 31 MARCH 2024

	Note No	2024		2023	
		Rp'000	Rs Lakhs	Rp'000	Rs Lakhs
INCOME					
Revenue from contracts with customers	19	**149,701,428**	**7,872.07**	214,273,935	11,745.04
Other Income		**5,923,574**	**311.49**	5,984,226	328.01
		155,625,002	**8,183.56**	220,258,161	12,073.06
EXPENSES					
Cost of materials	20	**(124,445,252)**	**(6,543.97)**	(179,578,356)	(9,843.27)
(Decrease)/increase in work-in-progress and finished goods inventories	20	**(2,160,287)**	**(113.60)**	1,383,671	75.84
Employee benefit expenses		**(31,637,286)**	**(1,663.65)**	(25,934,387)	(1,421.55)
Depreciation and amortisation expenses		**(5,642,442)**	**(296.71)**	(5,862,390)	(321.34)
Selling and distribution expenses		**(6,061,626)**	**(318.75)**	(5,993,155)	(328.50)
Other operating expenses	21	**(26,290,776)**	**(1,382.50)**	(21,953,800)	(1,203.36)
Foreign exchange losses, net		**(2,288,730)**	**(120.35)**	(1,391,922)	(76.30)
		(198,526,399)	**(10,439.53)**	(239,330,339)	(13,118.46)
Loss before income tax		**(42,901,397)**	**(2,255.98)**	(19,072,178)	(1,045.41)
Income tax expense	14d	**(3,500)**	**(0.18)**	-	-
Loss for the year		**(42,904,897)**	**(2,256.16)**	(19,072,178)	(1,045.41)
Other comprehensive income that will be reclassified to profit or loss					
Re-measurement of post-employement benefit		**(102,024)**	**(5.36)**	39,511	2.17
Total comprehensive loss for the year		**(43,006,921)**	**(2,261.52)**	(19,032,667)	(1,043.24)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Note No.	Share capital		Accumulated losses		Total	
		Rp'000	Rs Lakhs	Rp'000	Rs Lakhs	Rp'000	Rs Lakhs
Balance as at 31 March 2022	**17**	273,000,000	14,355.74	(142,556,966)	(7,496.38)	130,443,034	6,859.36
Loss for the year		-	-	(19,072,178)	(1,002.91)	(19,072,178)	(1,002.91)
Remeasurement of post-empolyment benefit		-	-	39,511	2.08	39,511	2.08
Balance as at 31 March 2023	**17**	**273,000,000**	**14,355.74**	**(161,589,633)**	**(8,497.21)**	**111,410,367**	**5,858.53**
Proceed from issuance new shares		**81,000,000**	**4,259.39**	**-**	**-**	**81,000,000**	**4,259.39**
Loss for the year		**-**	**-**	**(42,904,897)**	**(2,256.16)**	**(42,904,897)**	**(2,256.16)**
Remeasurement of post-empolyment benefit		**-**	**-**	**(102,024)**	**(5.36)**	**(102,024)**	**(5.36)**
Balance as at 31 March 2024	**17**	**354,000,000**	**18,615.13**	**(204,596,554)**	**(10,758.73)**	**149,403,446**	**7,856.40**

The accompanying notes to the financial statements form an integral part of these financial statements.

PT THERMAX INTERNATIONAL INDONESIA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Note No	2024		2023	
		Rp'000	**Rs Lakhs**	Rp'000	Rs Lakhs
Cash flows from operating activities					
Loss before income tax		**(42,901,397)**	**(2,255.98)**	(19,072,178)	(1,045.41)
Adjustments for:					
Depreciation of fixed assets	8	**5,130,299**	**269.78**	4,774,438	261.70
Allowance for impairment- losses of inventory-net	7	**2,783,749**	**146.38**	227,080	12.45
Interest expense		**2,896,884**	**152.33**	2,057,624	112.78
Realized foreign exchange loss		**684,000**	**35.97**		
Depreciation right-of-use asset	9	**507,576**	**26.69**	507,576	27.82
Employee benefit liabilities		**40,534**	**2.13**	287,992	15.79
Loss on disposal of fixed assets		**12,865**	**0.68**	-	-
Amortisation of intangible assets		**4,568**	**0.24**	580,376	31.81
Allowance for impairment - of receivables-net	5	**(98,131)**	**(5.16)**	382,776	20.98
Provision for Warranties	16	**(55,303)**	**(2.91)**	263,557	14.45
Unrealised foreign exchange loss		**-**	**-**	1,069,500	58.62
Operating cash flows before changes in working capital		**(30,994,356)**	**(1,629.84)**	(8,921,259)	(489.00)
Changes in assets & liabilities					
Trade Receivables	5	**(20,102,720)**	**(1,057.10)**	(3,494,971)	(191.57)
Unbilled receivables		**20,107,234**	**1,057.34**	(45,391,876)	(2,488.07)
Shareholder receivable		**20,000,000**	**1,051.70**	-	-
Advances and prepayments		**(8,600,507)**	**(452.26)**	(1,048,928)	(57.50)
Inventories	7	**3,292,351**	**173.13**	(6,172,389)	(338.33)
Prepaid Value Added Tax		**(2,747,777)**	**(144.49)**	(875,815)	(48.01)
Other receivables		**2,865,169**	**150.67**	41,884	2.30
Advance and prepayments - non current		**-**	**-**	5,760	0.32
Estimated claim for refundable tax	14	**(1,932,030)**	**(101.60)**	(1,664,905)	(91.26)
Trade payables	11	**(15,839,265)**	**(832.91)**	8,726,327	478.32
Unearned revfenue	12	**(23,639,249)**	**(1,243.07)**	41,648,446	2,282.88
Taxes payable	14	**424,775**	**22.34**	120,047	6.58
Accrued expenses and other payables		**(6,805,488)**	**(357.87)**	18,000,567	986.67
Other current liabilities		**1**	**0.00**	54,800	3.00
Payment of long term employee benefit liabilities		**(11,302)**	**(0.59)**	-	-
Other non current financial liabilities		**-**	**-**	545,705	29.91
Other non-current liabilities		**193,167**	**10.16**	453,418	24.85
Refund of corporate income tax	14	**1,058,438**	**55.66**	1,028,813	56.39
Net cash flows (used in)/ provided by operating activities		**(62,731,559)**	**(3,298.75)**	3,055,624	167.49
Cash flows from investing activities					
Net movement in finance lease receivables		**3,388,261**	**178.17**	9,831,272	538.88
Acquisition of fixed assets	8.25	**(430,153)**	**(22.62)**	(984,783)	(53.98)
Net cash flows from investing activities		**2,958,108**	**155.55**	8,846,489	484.90
Cash flows from financing activities					
Proceeds from shares issuance	17	**61,000,000**	**3,207.69**	-	-
Payments of loan from related party	22c	**(23,277,000)**	**(1,224.02)**	-	-
Payments of interest expense		**(2,803,804)**	**(147.44)**	(1,987,739)	(108.95)
Payments of lease liability		**(549,480)**	**(28.89)**	(541,716)	(29.69)
Net cash flows provided by/(used in) financing activities		**34,369,716**	**1,807.34**	(2,529,455)	(138.65)
Net (decrease)/increase in cash and cash equivalents		**(25,403,735)**	**(1,335.86)**	9,372,658	483.83
Cash and cash equivalents at the beginning of the period		**12,784,078**	**672.25**	3,411,420	186.99
Cash and cash equivalents at the end of the period		**(12,619,657)**	**(663.61)**	12,784,078	700.74
Cash on hand and in banks	4	**743,529**	**39.10**	12,823,477	702.90
Bank overdraft	15	**(13,363,186)**	**(702.70)**	(39,399)	(2.16)
Total		**(12,619,657)**	**(663.61)**	12,784,078	700.74

The accompanying notes to the financial statements form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

As of March 31, 2024 and for the Year Then Ended

(Expressed in thousands of Rupiah, unless otherwise stated)

1. GENERAL

PT Thermax International Indonesia (the "Company") was established on October 22, 2014 based on Notarial Deed No. 12 dated October 1, 2014 of Jimmy Tanal, S.H., M.Kn., Notary in Jakarta. The Notarial Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decision Letter No. AHU-30730.40.10.2014 dated October 22, 2014.

The Company's Articles of Association have been amended from time to time. The most recent amendment was based on Notarial Deed No. 40 dated March 5, 2024 of Jimmy Tanal, S.H., M.Kn., a Notary in Jakarta, concerning the increase in the authorised capital to become 354,000 shares, increase the issued and paid-up capital to become 354,000 shares, and to appoint an additional Director. The Notarial Deed has been approved by the Ministry of Law and Human Rights of Republic of Indonesia (''MOLHR'') through decision letter No. AHU-0015866.AH.01.02.Tahun 2024 dated March 12, 2024 (Note 17).

In accordance with Article 3 of the Company's Articles of Association, the main activity of the Company is the manufacturing of industrial products such as steam boilers, heaters, absorption chillers, etc and their spare parts. The Company commenced its commercial production in second quarter of financial year 2017 - 2018.

The Company's office is located at Menara Palma 9th Floor Unit 9-02B/03, Jl. H.R. Rasuna Said Blok. X Kav. 6, South Jakarta 12950 and the manufacturing plant is located at Krakatau Industrial Estate, Cilegon, Banten.

As at March 31, 2024 and 2023, the Company's Commissioner and Board of Directors were as follows:

March 31, 2024

Mr. Rajendran Arunachalam : Commissioner

Mr. Mahesh C. Bukinkere: Director

Mr. Hemant Y. Joshi : Director

Mr. Dinesh S. Mandhana : Director

March 31, 2023

Mr. Rajendran Arunachalam : Commissioner

Mr. Katri Pulitakote Hari Govind : President Director

Mr. Mahesh C. Bukinkere : Director

The above Commissioner and the Board of Directors are based on Notarial Deed No. 40 by Jimmy Tanal, SH., M. Kn., dated 5 Mar 2024, which has been acknowledged by the Ministry of Law and Human Rights through Decision Letter No.AHU-AHU-0015866.AH.01.02.Tahun 2024.

The Company's parent entity is Thermax Engineering Singapore Pte. Ltd., a company incorporated in Singapore. The Company's ultimate holding company is RDA Holding Private Limited, a company incorporated in India.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods mentioned unless otherwise stated.

a. Basis of preparation of the financial statements

The Company's financial statements have been prepared in accordance with Indonesian Financial Accounting Standards.

The financial statements have been prepared under the historical cost convention and using the accrual basis, except for the statement of cash flows.

The statements of cash flows are prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities. For these purposes, cash and cash equivalents are shown net of bank overdrafts.

Figures in the financial statements are rounded to and stated in thousands of Rupiah ("Rp"), unless otherwise stated.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment when 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 financial statements are disclosed in Note 3.

The financial reporting period of the Company is April 1 - March 31.

b. Changes in accounting principles

The Company made first time adoption of all the new and/or revised standards effective for the periods beginning on or after January 1, 2023, including the following revised standards that have affected the financial statements of the Company:

Amendment of PSAK 1: Presentation of financial statement - Disclosure of accounting policies

This amendments provide guidance to help entities apply materiality judgements to accounting policy disclosures. 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.

Amendment of PSAK 16: Fixed Assets - Proceeds before Intended Use

The amendments prohibit entities from deducting from the cost of an item of fixed assets, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in the profit or loss.

The Company applies the amendments retrospectively only to items of fixed assets made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by fixed assets made available for use on or after the beginning of the earliest period presented.

Amendment of PSAK 25: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments to PSAK 25 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

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

Amendment of PSAK 46: Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to PSAK 46 Income Taxes narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

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

Amendment of PSAK 46: Income Taxes - International Tax Reform - Pillar Two Model Rules

The amendments to PSAK 46 have been introduced in response to the Pillar Two Rules, issued by Organization for Economic Co-operation and Development (OECD), and include:

- An exception to the recognition and disclosure of deferred taxes related to the Pillar Two income taxes; and

Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The exception – the use of which is required to be disclosed – applies immediately upon the issue of these amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023.

As of December 31, 2023, the Pillar Two income taxes legislation has not yet been enacted or has not yet substantively enacted in Indonesia where the Company operates. Therefore, the Company is still in the process of assessing the potential exposure to Pillar Two income taxes. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable.

c. Current and non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

1) expected to be realized or intended to be sold or consumed in the normal operating cycle,

2) held primarily for the purpose of trading,

3) expected to be realized within 12 months after the reporting period, or

4) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

i) expected to be settled in the normal operating cycle,

ii) held primarily for the purpose of trading,

iii) due to be settled within twelve months after the reporting period, or

iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

d. Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The financial statements are presented in Rupiah, which is the functional and presentation currency of the Company.

ii) Transactions and balances

Foreign currency transactions are translated into Rupiah using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currency are translated into Rupiah using the closing exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

As at March 31, 2024 and 2023, the exchange rates used, were as follows (United States Dollars full amount):

	March 31, 2024	March 31, 2023
United States Dollars 1	**15.853**	15.062
Euro 1	**17.161**	16.345

e. Financial instrument

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

The Company's financial assets at amortized cost includes cash on hand and in banks, trade receivables, unbilled receivables, shareholder receivables, other receivables, and finance lease receivables.

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PSAK 72.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized 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 payables, accrued expenses and other payables, lease liability, loan from related party, provisions for warranties, and bank overdrafts.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognized 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f. Cash on hand and in banks

Cash and cash equivalents consist of cash on hand and cash in banks, which are not used as collateral or are not restricted.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and cash in banks, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

The statement of cash flows has been prepared using the indirect method by classifying cash flows on the basis of operating, investing and financing activities.

g. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is generally determined by the moving average method for raw materials. The cost of finished goods and work in progress comprises raw materials, labour and an appropriate proportion of directly attributable fixed and variable overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the estimated costs of completion, if any, and selling expenses.

Provision for obsolete and slow moving inventory is determined on the basis of estimated future sale of individual inventory items.

h. Fixed assets

Initial legal costs incurred to obtain land rights are recognised as part of the acquisition cost of the land, and these costs are not depreciated. The costs related to renewal of land rights are recognised as intangible assets and amortised during the period of the land rights or the land's economic life, whichever is shorter.

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that is directly attributable to the acquisition of the assets.

Major spare parts and stand-by equipment are classified as fixed assets when they are expected to be used in operations for more than one year.

Land is not depreciated. Depreciation of other fixed assets starts when it is available for use and is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

	Year
Buildings	20
Machinery	16
Computers	4
Office equipment	4
Furniture and fixtures	4-8
Tools and equipment	4
Vehicles	8

Subsequent 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 amounts of replaced parts are derecognised. All other repairs and maintenances are charged to profit or loss during the financial period in which they are incurred.

The assets' residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

Net gains or losses on disposals of fixed assets are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

The accumulated costs of the construction of buildings or factories and the installation of machinery are capitalised as construction in progress. These costs are reclassified to fixed assets when the construction or installation is complete. Depreciation is charged from the date the assets are ready for use in the manner intended by Management.

i. Impairment of non-current assets

Fixed assets and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the non-current assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purpose of assessing impairment, non-current assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Reversal of an impairment loss for non-current assets will be recognised if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal of impairment losses will be immediately recognised in profit or loss.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

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 recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use assets

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company's right-of-use asset are office spaces are depreciated over the lease period which is 36 months.

If the lease transfers the ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

k. Trade and other payables and accruals

Trade and other payables and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables and accruals are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

l. Employment benefit liabilities

Short-term employee benefits

Short-term employee benefits are employee benefit which are due for payment within twelve months after the reporting period and recognized when the employees have rendered their service.

Long-term employee benefits

The Company made additional provision for employee benefit and other long-term employee benefit to qualified employees under Collective Labor Agreement and Job Creation Law No. 11/2020 (the "Cipta Kerja Law", (UUCK)).The additional provisions are estimated through actuarial calculations using the "Projected Unit Credit" method.

All actuarial gains and losses are recognized as other comprehensive income (other comprehensive income method). Past service costs are directly charged to profit or loss.

The Company recognizes gains or losses on the curtailment when the curtailment occurs, that is when there is a commitment to make a material reduction in the number of employees covered by a plan or when there is an amendment of the defined benefit plan terms such that a material element of future services to be provided by current employees will no longer qualify for benefits, or will qualify only for reduced benefits. The gain or loss on settlement recognized when there is a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan. The gain or loss on curtailment comprises any resulting change in present value of the obligations and any related actuarial gains and losses and past service cost that had not previously been recognized.

m. Revenue and expense recognition

The Company adopted PSAK No. 72, "Revenue from Contracts with Customers", which requires revenue recognition to fulfill 5 (five) steps of assessments as follows:

1. Identify contracts with customers.
2. Identify the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that ate distinct.
3. Determine the transaction price, net of discounts, returns, sales incentives and value added tax, which an entity expects to be entitled in exchange for transferring the promised goods or services to a customer.
4. Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct goods or services promises in the contract. Where these are not directly observable, the relative standalone selling price are estimated based on expected cost plus margin.
5. Recognize revenue when performance obligation is satisfied by transferring a promised goods or services to a customer (which is when the customer obtains control of that goods or services).

A performance obligation may be satisfied at the following:

- A point in time (typically for promises to transfer goods to a customer); or
- Over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, the Group selects an appropriate measure of progress to determine the amount of revenue that should be recognized as the performance obligation is satisfied.

The Company recognizes project revenues over time by using the input method based on the project completion progress and cost review reports of the projects. Project revenues received in advance are presented as "Unearned revenue".

Expenses are recognised as incurred on an accrual basis.

n. Taxation

Final tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction recognizing losses.

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority.

Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Underpayment/overpayment of income tax are presented as part of "Tax Expense - Current" in the statement of profit or loss. The Company presented interest/penalty, if any, as part of "Other Expense".

Amendments to taxation obligation are recorded when an assessment is received or, if appeal is applied, when the results of the appeal are received. The additional taxes and penalty imposed through Tax Assessment Letter ("SKP") are recognized as income or expense in the current period profit or loss, unless objection/appeal action is taken. The additional taxes and penalty imposed through SKP are deferred as long as they meet the asset recognition criteria.

Deferred tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset in the statement of financial position, consistent with the presentation of current tax assets and liabilities.

Value Added Tax

Revenue, expenses and assets are recognized net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT which is claimed for restitution from, or payable to, the taxation authorities is included as part of assets or liabilities in the consolidated statement of financial position.

Final Tax

In accordance with the tax regulation in Indonesia, final tax is applied to the gross value of transactions, even when the parties carrying the transaction recognizing losses.

Final tax is scoped out from PSAK 46: Income Tax.

o. Provisions

Provisions for restructuring costs, legal claims, and environmental issues are recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Although the likelihood of an outflow for any one item may be small, it may well be probable that some outflow of resources will be needed to settle the class of obligations as a whole. If that is the case, a provision is recognised.

Provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Increase in the provision due to the passage of time is recognised as a finance cost.

p. Transactions with related parties

The Company enters into transactions with related parties as defined in SFAS 7 "Related party disclosures". It is the policy of the Company that such transactions are conducted on normal commercial terms.

All significant transactions and balances with related parties are disclosed in the notes to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of the future events that are believed to be reasonable under the circumstances.

The Company has identified the following matters under which significant judgements, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial results or financial position of the Company reported in future years.

i. Judgments

Classifications of financial assets and liabilities

Management determines the classifications of the Company's assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in SFAS No. 71. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the accounting policies disclosed in Note 2e.

Functional currency

Management determines the Company's functional currency from the primary economic environment in which the Company operates. Management determined that the Company's functional currency is Indonesian Rupiah.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income, could necessitate future adjustments to tax income and expense already recorded.

Judgment is also involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business.

Further details regarding taxation are disclosed in Note 14d.

Estimated claim for refundable tax

Based on the tax regulations currently enacted, the management judged if the amounts recorded under the above account are recoverable and refundable by the Tax Office. The carrying amount of estimated claim for refundable tax as of March 31, 2024 was Rp1,932,030 (2023: Rp1,664,905). Further explanations regarding this account are provided in Note 14b.

Lease term of contracts with renewal and termination options - the Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contract that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease or not. The Company considers all relevant factors that create an economic incentive for them to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Further disclosures of leases are made in Note 9.

The key assumptions concerning the future and other key sources of uncertainty of estimation at the reporting date that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

ii. Estimation and assumptions

Useful lives of fixed assets

The estimation of the useful lives of fixed assets is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives and based on machine working hours. The Management estimates the useful lives of these fixed assets to be between 4 to 20 years. Changes in the expected level of usage and technological development could have an impact on the economic useful lives and the residual values of these assets.

The estimated useful lives are reviewed at least each financial year end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets.

Net realisable value of inventory

The Company reviews the carrying value of its inventory at each reporting date to ensure that the cost does not exceed the net realisable value. Estimates of net realisable value include a number of assumptions, including freight or insurance price expectations and the estimated costs to complete inventory into a saleable product.

Allowance for Impairment Losses of Trade Receivables

The Company estimates impairment allowance for trade receivables using simplified approach of Expected Credit Loss (ECL). A provision matrix is used to determine ECL for trade receivables, where the provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the customers historical observed loss rates. The Company will adjust the historical observed loss experience with forward-looking information. For instance, if forecast economic conditions closely related to the historical observed loss are expected to deteriorate over the next year which can lead to an increased number of defaults in the sectors where customers are operating, the historical losses are adjusted accordingly. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed loss rates, forecast economic conditions and ECLs, is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical observed loss rate and forecast of economic conditions may not be representative of customer's actual default in the future.

The carrying amount of the Company's trade receivables before allowance for impairment as of March 31, 2024 was Rp40,975,929 (2023: Rp20,873,209). Further details on trade receivables are disclosed in Note 5.

Estimating the Incremental Borrowing Rate of a Lease

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term.

The IBR therefore reflects interest the Company would have to pay, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates as necessary.

Pension and Employee Benefits

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension obligation are determined using actuarial valuations. An actual 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, mortality rates, and future pension increases. 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.

While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual experiences or significant changes in the Company's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense.

4. CASH ON HAND AND IN BANKS

	March 31, 2024	March 31, 2023
Cash on hand	**22.048**	49.630
Cash in banks (Rupiah)		
PT Bank Mandiri (Persero) Tbk	**721.481**	384.771
Citibank N.A., Indonesia	**-**	12.342.902
PT Bank Negara Indonesia (Persero) Tbk	**-**	46.174
Sub-total cash in banks	**721.481**	12.773.847
Total cash on hand and in banks	**743.529**	12.823.477

5. TRADE RECEIVABLES

	March 31, 2024	March 31, 2023
Related parties (Note 21a)	**28.908**	764.873
Third parties	**40.947.021**	20.108.336
	40.975.929	20.873.209
Allowance for impairment losses of receivables	**(1.053.189)**	(1.151.320)
	39.922.740	19.721.889

Movements in the allowance for impairment of receivables for the year ended March 31, 2024 and 2023 is as follows:

	March 31, 2024	March 31, 2023
Beginning balance	**1.151.320**	768.544
Addition/(reversal) during the year	**(98.131)**	382.776
Ending balance	**1.053.189**	1.151.320

Based on a review of trade receivables at end of year, management believes that the allowance for impairment as of March 31, 2024 and 2023 is adequate to cover possible losses or uncollectible accounts.

The aging analysis of these trade receivable is as follows:

	March 31, 2024	March 31, 2023
Current and not impaired	**4.272.291**	7.562.830
Overdue but not impaired		
0 - 30 days	**30.000.852**	4.756.452
31 - 60 days	**1.622.985**	2.765.913
> 61 days	**4.026.612**	4.636.694
Overdue and impaired	**1.053.189**	1.151.320
Total	**40.975.929**	20.873.209

In determining the recovery of trade receivables, the Company considers any changes in the credit quality of trade receivables from the initial date the loans are granted to the end of the reporting period. Credit risk concentration is limited to large and unrelated customers.

6. UNBILLED RECEIVABLES

Unbilled receivables represent portion of revenue which has been recognized in accordance with the progress of the projects in exchange for goods or services transferred to the customers, but have not been invoiced in accordance with the working contract with customers.

7. INVENTORIES

	March 31, 2024	March 31, 2023
Goods in transit	**516.567**	476.245
Raw materials	**12.611.948**	13.784.334
Work-in-progress	**492.901**	1.093.892
Finished goods	**273.111**	1.832.407
	13.894.527	17.186.878
Allowance for impairment losses of inventory	**(5.701.583)**	(2.917.834)
Total	**8.192.944**	14.269.044

Movements in the allowance for impairment losses of inventories for the year ended March 31, 2024 and 2023 is as follows:

	March 31, 2024	March 31, 2023
Beginning balance	**2.917.834**	2.690.754
Addition/(Reversal) of allowance	**2.783.749**	227.080
Total	**5.701.583**	2.917.834

Management believes that the allowance for impairment losses of inventories is adequate to cover possible losses of the inventories.

Inventories are insured against all possible losses, with the insurance coverage included in the insurance coverage of fixed assets amounting to Rp87,000,000.

8. FIXED ASSETS

	March 31, 2024				
	Beginning balance	**Additions**	**Disposals**	**Transfers**	**Ending balance**
Acquisition costs					
Land	81.257.182	-	-	-	81.257.182
Buildings	51.005.104	-	-	-	51.005.104
Machinery	26.222.869	280.158	(19.000)	-	26.484.027
Furniture and fixtures	2.345.222	-	-	-	2.345.222
Computers	1.189.934	215.052	-	-	1.404.986
Office equipment	289.236	3.650	-	-	292.886
Tools and equipment	1.422.254	158.072	-	-	1.580.326
Vehicles	622.000	-	-	-	622.000
	164.353.801	656.932	(19.000)	-	164.991.733
Accumulated depreciation					
Buildings	(15.715.488)	(2.550.255)	-	-	(18.265.743)
Machinery	(8.786.509)	(2.057.054)	6.135	-	(10.837.428)
Furniture and fixtures	(1.647.374)	(196.626)	-	-	(1.844.000)
Computers	(894.099)	(127.691)	-	-	(1.021.790)
Office equipment	(285.985)	(1.877)	-	-	(287.862)
Tools and equipment	(1.144.316)	(119.046)	-	-	(1.263.362)
Vehicles	(336.911)	(77.750)	-	-	(414.661)
	(28.810.682)	(5.130.299)	6.135	-	(33.934.846)
Net book value	**135.543.119**				**131.056.887**

	March 31, 2023				
	Beginning balance	**Additions**	**Disposals**	**Transfers**	**Ending balance**
Acquisition costs					
Land	81.257.182	-	-	-	81.257.182
Buildings	51.005.104	-	-	-	51.005.104
Machinery	26.222.869	-	-	-	26.222.869
Furniture and fixtures	1.658.119	512.446	-	174.657	2.345.222
Computers	947.594	242.340	-	-	1.189.934
Office equipment	285.451	3.785	-	-	289.236
Tools and equipment	1.158.093	264.161	-	-	1.422.254
Vehicles	622.000	-	-	-	622.000
Construction in progress	31.705.458	1.022.198	(32.552.999)	(174.657)	-
	194.861.870	2.044.930	(32.552.999)	-	164.353.801
Accumulated depreciation					
Buildings	(13.165.233)	(2.550.255)	-	-	(15.715.488)
Machinery	(7.147.580)	(1.638.929)	-	-	(8.786.509)
Furniture and fixtures	(1.477.989)	(169.385)	-	-	(1.647.374)
Computers	(768.567)	(125.532)	-	-	(894.099)
Office equipment	(284.494)	(1.491)	-	-	(285.985)
Tools and equipment	(933.220)	(211.096)	-	-	(1.144.316)
Vehicles	(259.161)	(77.750)	-	-	(336.911)
	(24.036.244)	(4.774.438)	-	-	(28.810.682)
Net book value	**170.825.626**				**135.543.119**

On March 31, 2024, the Company recorded a loss on the disposal of machinery amounted to Rp12,865. The disposal of this machinery was carried out because the asset was considered to be in a completely damaged condition.

The Company owns a plot of land with "Hak Guna Bangunan" title ("Building Use Title" or "HGB") which has a remaining useful life up to 2046. Management believes that there will be no difficulty in extending the land right as the land was acquired legally and this is supported by sufficient evidence of ownership.

Fixed assets are insured against fire and others risks with a total coverage of Rp87,000,000. Management believes that the insurance coverage can cover losses on the insured fixed asset.

Starting April 1, 2022, the Company recognized finance lease as a lessor on Unilever project based on Supply Steam Agreement between the Company and PT Unilever Oleochemical Indonesia ("UOI").

On initial recognition, the Company transferred cost incurred to build the boiler of Rp32,552,999, previously recorded as construction in progress in fixed assets, as lease receivables in its financial statements as of March 31, 2023 (Note 10).

9. RIGHT OF USE ASSET

The Company as Lessee

The Company has lease contracts for building used in its operations. The Company is restricted from assigning and subleasing the leased assets.

Lease of building has terms of 3 years.

Set out below are the carrying amounts of right-of-use assets recognized on the Company's statement of financial position and the movements during the current year:

	March 31, 2024	March 31, 2023
Beginning balance	**2.480.400**	2.480.400
Addition	**-**	-
Ending balance	**2.480.400**	2.480.400
Accumulated depreciation:		
Beginning balance	**(1.592.142)**	(1.084.566)
Addition	**(507.576)**	(507.576)
Ending balance	**(2.099.718)**	(1.592.142)
Net book value	**380.682**	888.258

Movement of lease liabilities:

	March 31, 2024	March 31, 2023
Beginning balance	**803.924**	1.275.754
Addition of interest	**37.555**	69.885
Addition	**-**	-
Payments	**(549.480)**	(541.715)
Sub-total	**291.999**	803.924
Less current portion	**291.999**	381.316
Long-term portion	**-**	422.608

Amounts recognized in the statement of profit or loss and other comprehensive income:

	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use asset	**507.576**	507.576
Interest expense on lease liabilities	**37.555**	69.885
Amount recognized in profit and loss statement	**545.131**	577.461

The Company had total cash outflows for leases of Rp549,480 and Rp541,715 including interest expenses of finance lease amounting to Rp37,555 and Rp69,885 for the year ended March 31, 2024 and 2023, respectively.

10. Lease

The Company as Lessor

The Company has entered into steam supply agreement with PT Unilever Oleochemical Indonesia ("UOI") which fulfilled the criterias as finance lease.

This agreement has lease term of 7 years with option for extension agreed by both parties.

The critical terms of the UOI project are as follows:

- The Company shall deliver or procure the delivery of boiler to site and complete installation and commissioning.
- The Company shall operate the boiler and supply of steam produced by the boiler. The lease period is 7 years which start from the commencement date and can be renewed by mutual agreement of both parties. The commencement date is April 1, 2022 and the effective date of the contract was October 1, 2022. If the Company wants to terminate the lease before the end of the lease, the Company shall obligate to pay the exit fee as mentioned in the contract.
- The minimum off-take of 3,132 ton/month of steam will be supplied by the Company with price at Rp207/Kg for consumption within 3,132 ton/month and Rp7/Kg after consumption above 3,132 ton/month and UOI shall pay invoice within 30 days calendar after the Company issued invoice for steam produced for UOI on a fortnightly basis on the 1st and 16th day of each calendar month. UOI has a right to request the Company to supply more than minimum offtake for its operation.
- UOI has paid Rp975,000 as deposit at the time of signing agreement.
- The present value of lease payments is substantially covering the fair value of the underlying asset

During April - September 2022, the Company was unable to fulfil the minimum off-take of 3,132 ton/month due to under performance of boiler which results experiencing plant shut-down several times and budget overrun for the construction and installation of boiler in UOI. In responding to this issue, the Company has recognized the impairment amounted to Rp7,419,496 in 2023. Movement of lease receivables:

	March 31, 2024	March 31, 2023
Gross investment in finance lease contract	**21.874.187**	32.552.999
Allowance for uncollectible lease payments	**-**	(7.419.496)
Net investment in financial lease contract	**21.874.187**	25.133.503
Less payment of receivables	**(3.388.260)**	(3.259.316)
Sub-total	**18.485.927**	21.874.187
Less current portion	**(3.388.261)**	(3.259.316)
Non-current portion	**15.097.666**	18.614.871

As of the balance sheet date, the present value of future minimum lease payment receivables under non-cancellable finance lease contract as at March 31, 2024 relating to steam boiler are as follows:

Gross investment in finance lease contract:

	March 31, 2024	March 31, 2023
Within one year	**5.190.149**	5.376.007
After one year but no more than five years	**18.411.149**	19.410.800
More than five years	**-**	4.190.498
Sub-total	**23.601.298**	28.977.305
Less unearned finance income	**(5.115.371)**	(7.103.118)
Present value of minimum lease payment receivable	**18.485.927**	21.874.187

Present value of future minimum lease payment:

	March 31, 2024	March 31, 2023
Within one year	**5.376.007**	3.259.317
After one year but no more than five years	**15.097.666**	14.773.450
More than five years	**-**	3.841.420
Sub-total	**20.473.673**	21.874.187
Less unearned finance income	**(1.987.746)**	-
Present value of minimum lease payment receivable	**18.485.927**	21.874.187

The details of other liabilities and other financial liability relating to lease are as follows:

	March 31, 2024	March 31, 2023
Other current liability:		
Advance lease rental - current portion	**54.799**	54.800
Other non-current liabilities:		
Advance lease rental - non-current portion	**223.168**	278.886
Provision for maintenance*	**423.417**	174.532
Sub-total	**646.585**	453.418
Other non-current financial liability:		
Customer advance	**601.229**	545.705
Total	**1.302.613**	1.053.923

*Includes balance of accrual for maintenance warranty of leased equipment built at the customer's premises under the steam supply agreement with UOI.

11. TRADE PAYABLES

	March 31, 2024	March 31, 2023
Related parties (Note 22a)	**12.708.679**	16.334.887
Third parties :		
PT Citra Karsa Dinamika	**874.028**	583.000
PT Semicon Internusa	**552.729**	-
PT Energi Maju Semesta	**508.934**	-
Insaz Energy System	**497.281**	958.763
Intact Automation Private Limited	**199.843**	1.045.656
PT Andalan Teknik Persada	**174.766**	949.715
Decon Equipments And Systems Pvt. Ltd.	**33.561**	2.249.539
Laxmi Engineering Works	**8.862**	748.534
Aaradhya Enterprise	**-**	1.192.119
Tejas Polymers and Engineers	**-**	1.092.603
Venkateshwara Automation & Controls Pvt. Ltd.	**-**	703.105
Atam Valves Pvt. Ltd.	**-**	642.422
Paneltech	**-**	629.993
Rieco Industries Ltd.	**-**	523.228
Others (below 500 Million)	**4.867.572**	8.611.956
Total	**20.426.255**	36.265.520

Refer to Note 22 for details of related party transactions.

12. UNEARNED REVENUE

	March 31, 2024	March 31, 2023
PT Mayora Indah Tbk.	**23.340.000**	-
PT Sheel Oil Indonesia	**9.220.425**	17.467.587
PT Tirta Fresindo Jaya	**5.888.095**	6.804.900
PT Dellifood Sentosa Corpindo	**1.500.000**	-
Green Recycling Pte. Ltd.	**1.359.012**	-
Nhat Tam Equipment and Accessories Co., Ltd.	**1.148.700**	-
PT Mangole Timber Producers	**968.723**	8.326.533
PT Hanjaya Mandala Sampoerna Tbk.	**919.070**	6.163.800
PT Tasma Bioenergy Indonesia	**829.678**	1.014.800
Calumpang Packaging Corporation	**115.107**	3.775.924
Steniel Mindanao Packaging Corporation	**147.822**	3.720.573
PT Panggungjaya Indah	**73.985**	2.323.472
PT Agro Murni	**-**	10.905.557
PT Wilmar Nabati Indonesia	**-**	2.666.272
PT Cakra Buana Expert	**-**	1.695.365
PT Kelapa Jaya Lestari	**-**	1.215.573
PT Indorama Ventures Indonesia	**-**	1.132.110
Others (below 1 Billion)	**1.762.019**	3.699.419
Total	**47.272.636**	70.911.885

This account represents advances, which are received from customers and contract liabilities.

13. ACCRUED EXPENSES AND OTHER PAYABLES

	March 31, 2024	March 31, 2023
Operational	**26.376.184**	35.554.706
Professional fees	**3.293.512**	332.700
Purchases of fixed assets (Note 25)	**226.778**	212.606
Others	**1.031.230**	1.406.397
Total	**30.927.704**	37.506.409

14. TAXATION

a. Prepaid taxes

	March 31, 2024	March 31, 2023
Current portion:		
Value Added Tax (''VAT'')	**7.192.181**	4.444.404

The balance of prepaid VAT (current portion) representing input VAT mainly comes from capital goods acquisition and business activities.

b. Estimated claim for refundable tax

	March 31, 2024	March 31, 2023
Corporate income tax - 2023	**1.932.030**	-
Corporate income tax - 2022	**1.664.905**	1.664.905
Corporate income tax - 2021	**-**	1.061.938
Total	**3.596.935**	2.726.843

c. Taxes payable

	March 31, 2024	March 31, 2023
Income tax Article 21	**717.402**	237.709
Income tax Article 23	**49.351**	89.103
Income tax Article 4(2)	**26.318**	41.484
Total	**793.071**	368.296

d. Income tax expense

For the year ended March 31, 2024 and 2023, the Company did not recognise any deferred income tax expenses.

The reconciliation between income tax expense and the theoretical tax amount on the Company's loss before income tax is as follows:

	March 31, 2024	March 31, 2023
Loss before corporate income tax	**(42.901.397)**	(19.072.178)
Add/(less):		
Temporary differences:		
Long-term employee benefit liabilities	**40.534**	287.992
Depreciation of fixed assets	**511.044**	44.245
Depreciation of right-of-use asset	**268.158**	268.158
Allowance for impairment losses of receivables	**(98.131)**	382.775
Allowance for impairment losses of inventory	**(2.783.749)**	483.940
Provision for warranties	**(55.303)**	263.558
Permanent differences:		
Non-deductible expenses	**3.131.346**	4.540.644
Income subject to final tax	**(332.088)**	(22.316)
Estimated taxable loss of the Company	**(42.219.586)**	(12.823.182)
Tax loss carried forward from previous year	**(45.580.609)**	(32.757.427)
Estimated accumulated tax losses carried forward	**(87.800.195)**	(45.580.609)
Less:		
Prepaid corporate income tax - Article 22	**(1.493.674)**	(1.318.832)
Prepaid corporate income tax - Article 23	**(438.356)**	(346.073)
Estimated claim for refundable tax	**(1.932.030)**	(1.664.905)

As of March 31, 2024, the Company has an accumulated tax losses carried forward balance amounting to Rp87,800,194 which will expire between 2024 and 2028.

The amount of fiscal loss is based on preliminary calculations. The amounts may be adjusted when annual tax returns are submitted to/assessed by the tax office.

The reconciliations between income tax expense as shown in the statement of profit or loss and other comprehensive income and income tax expense calculated using prevailing tax rates on the loss before income tax is as follows:

	March 31, 2024	March 31, 2023
Loss before corporate income tax	**(42.901.397)**	(19.072.178)
Tax calculated at statutory rate of 22%	**(9.438.307)**	(4.195.879)
Non-deductible expenses	**615.837**	994.032
Unrecognized deferred tax assets	**8.822.470**	3.201.847
Under provision for prior year		
corporate income tax (Note 14f)	**3.500**	-
Corporate income tax expenses	**3.500**	-

The Company has not recognised any deferred tax assets from tax losses carried- forward, depreciation of fixed assets, depreciation of right-of-use asset, allowance for impairment losses of receivables, allowance for impairment losses of inventory, long-term employee benefit liabilities and provision for warranties totaling to Rp22,713,776, as the ability of the Company to generate sufficient taxable profit will depend on when the Company can maintain sustainable and optimal capacity of commercial production. As such, the Company believes it is more prudent not to recognise any deferred tax assets.

e. Tax administration in Indonesia

The taxation laws of Indonesia require that companies within Indonesia to submit individual tax returns on the basis of self-assessment. Under the prevailing regulations, the DGT may assess or amend taxes within five years of the time the tax becomes due.

f. Others

In November 2023 the Company received tax assessment letters of Value Added Tax for period April to November 2019 reflecting underpayment totaling to Rp480,644 (including penalties of Rp205,990). The Company accepted the result of the tax assessments, paid the principal amount and submit letter to DGT for waiveoff penalty.

On July 27, 2023, the Company received a tax assessment from the Directorate General of Taxation ("DGT") reflecting overpayment of CIT 2021 amounted to Rp1,058,438, instead of overpayment corporate income tax of Rp1,061,938 claimed by the Company. On the same date, the Company also received tax assessment letters of VAT, Withholding Tax art. 21, Withholding Tax art. 23 and Withholding Tax art. 26 for period March 2022, reflecting underpayments totaling to Rp141,035. The Company agreed on the tax assessments letters and received the refund totaling to Rp917,402 on August 16, 2023, after being netted off with the underpayments, and charged the unrefunded amount of Rp3,500 to under provision of corporate income tax in current year statement of profit or loss.

15. BANK LOAN

Credit and bank facilities from Citibank N.A.

On November 29, 2017, the Company entered into a term-loan facility agreement with Citibank N.A. with total facility amounted to US$2.5 million and applicable interest rate of Jakarta Interbank Offered Rate plus certain margin. In addition, on September 8, 2017, Thermax Limited, an indirect holding entity of the Company, acting as a guarantor for the Company and guarantee any bank facilities issued for the Company with a total amount of US$5 million. The credit and bank facilities are available for the period starting from the Agreement date until 1 year after the Agreement is signed, and will be automatically extended continuously for the next 1 year period from the end date of the Agreement.

	March 31, 2024	March 31, 2023
Bank Overdrafts:		
United States Dollar	**13.302.542**	39.399
Indonesian Rupiah	**60.644**	-
Total bank overdrafts	**13.363.186**	39.399

As of March 31, 2024, the Company has utilised the bank facilities as follows:

- Amounted to Rp30,673,062 (2023: Rp22,350,751) for performance guarantee bond for certain customer.
- Amounted to US$839,118 (equivalent to Rp13,302,542) and Rp60,644 (2023: US$2,616 or equivalent to Rp39,399) for overdrafts. During 2024, the bank facilities was subject to interest at the rate of Jibor + 2.5% per annum. During 2024, the effective interest rate was at the rate of 9.14% (2023: 8.9%) per annum.

As of March 31, 2024, the Company does not utilise the short-term bank loan facility.

16. PROVISION FOR WARRANTIES

	March 31, 2024	March 31, 2023
Current portion	**1.660.024**	1.575.738
Non-current portion	**197.168**	336.757
Total provision for warranties	**1.857.192**	1.912.495

Provision for warranties provided by the Company to customers in connection with sales of products/projects contracts.

17. SHARE CAPITAL

The shareholders compositions as at 31 March 2024 and 2023 were as follows:

	March 31, 2024		
Shareholders	**Number of shares**	**Percentage of ownership**	**Issued and paid-up**
Thermax Engineering Singapore Pte. Ltd.	353.990	99,99%	353.990.000
Thermax International Limited	10	0,01%	10.000
Total	**354.000**	**100%**	**354.000.000**

	March 31, 2023		
Shareholders	**Number of shares**	**Percentage of ownership**	**Issued and paid-up**
Thermax Engineering Singapore Pte. Ltd.	272.990	99,99%	272.990.000
Thermax International Limited	10	0,01%	10.000
Total	**273.000**	**100%**	**273.000.000**

In accordance with Notarial Deed No. 83 of Jimmy Tanal S.H., M.Kn dated December 20, 2023, which has been approved by Ministry of Laws and Human Rights in its letter No. AHU-0077674.AH.01.02 Tahun 2023 dated December 12, 2023, the Shareholders increased the Company's authorized and paid-up share capital. Additional paid-in capital, in accordance with the Notarial Deed, which is the increase in paid-in capital was fully paid on December 20, 2023 and was taken by Thermax Engineering Singapore Pte. Ltd. in the amount of Rp61,000,000.

On March 5, 2024, the Company received another additional paid-in capital amounted Rp20,000,000 from Thermax Engineering Singapore Pte. whose funds have not yet been received by the Company as of March 31, 2024 but have been acknowledged in accordance with the Notary Deed No. 40 of Jimmy Tanal S.H., M.Kn dated March 5, 2024 which has been approved by Ministry of Laws and Human Rights in its letter No. AHU-0015866.AH.01.02 Tahun 2024 (Note 22).

18. GENERAL RESERVE

Limited Liability Company Law No.40/2007 requires Indonesian companies to set up a statutory reserve amounting to a minimum of 20% of the Company's issued and paid-up share capital. There is no set period of time over which this amount should be accumulated. As at March 31, 2024, the Company had not yet established a general reserve as the Company was still in an accumulated losses position.

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

	March 31, 2024	March 31, 2023
Sales of products/projects:		
Over time	**108.953.776**	155.310.373
Point in time	**37.220.977**	31.972.186
Sales of services	**3.526.675**	1.857.873
Sales of leased assets (Note 10)	**-**	25.133.503
	149.701.428	214.273.935

20. COST OF GOODS SOLD RECONCILIATION

	March 31, 2024	March 31, 2023
Raw materials		
At the beginning of the year -	**11.342.745**	6.781.108
Purchases -	**120.529.438**	184.139.993
	131.872.183	190.921.101
At the end of the year -	**(7.426.931)**	(11.342.745)
Raw materials used	**124.445.252**	179.578.356
Direct labour and manufacturing overhead	**4.508.404**	4.366.917
Allocated depreciation expense	**1.932.173**	1.871.536
Total production cost	**130.885.829**	185.816.809
Work in progress		
At the beginning of the year -	**1.093.892**	1.452.458
At the end of the year -	**(492.901)**	(1.093.892)
	600.991	358.566
Total cost of goods manufactured	**131.486.820**	186.175.375
Finished goods		
At the beginning of the year -	**1.832.407**	90.170
At the end of the year -	**(273.111)**	(1.832.407)
	1.559.296	(1.742.237)
Total cost of goods sold	**133.046.116**	184.433.138

21. OTHER OPERATING EXPENSES

	March 31, 2024	March 31, 2023
Travelling and conveyance	**4.686.811**	3.199.473
Legal and professional fees	**2.962.394**	1.619.778
Interest	**2.896.884**	2.057.624
Consumables	**2.705.064**	2.457.735
Repairs and maintenance	**1.858.357**	2.376.905
Labour	**1.579.970**	1.435.897
Security charges	**1.147.691**	1.048.493
Sales commissions	**1.126.324**	908.998
Utilities	**811.467**	825.575
Advertising and exhibitions	**808.735**	344.340
Insurance	**621.448**	258.345
Communication	**413.834**	613.106
Rent and service charges	**132.713**	176.374
Others	**4.539.084**	4.631.157
Total	**26.290.776**	21.953.800

22. RELATED PARTY TRANSACTIONS

The nature of relationships and transactions with related parties are as follows:

Related parties	Relationship	Nature of transaction
Thermax Limited	Holding Company of Thermax Engineering Singapore Pte. Ltd.	Purchases of raw material, Sales of finished goods and services Expenses reimbursement Other operating income
Thermax Energy and Environment Philippines Corporation	Under common control entity	Expenses reimbursement
Thermax Inc.	Under common control entity	Loan and interest expense
Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	Under common control entity	Other operating income
Thermax Engineering Singapore Pte. Ltd.	Shareholder	Payment of sharecapital and shareholder receivable

a. Balances with related parties

	March 31, 2024	March 31, 2023
Trade receivables: (Note 5)		
Thermax Limited	**28.908**	429.367
Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	**-**	335.506
Total	**28.908**	764.873
Other receivables :		
Thermax Limited	**2.683.506**	16.453
Thermax Babcook & Wilcox Energy Solutions Pvt. Ltd	**156.231**	-
Total	**2.839.737**	16.453

Shareholder receivable

As of March 31, 2024, the receivable represents additional paid-in capital amounted Rp20,000,000 from Thermax Engineering Singapore Pte. Ltd. which has not been settled up to March 31, 2024 (Note 17)

	March 31, 2024	March 31, 2023
Advances:		
Thermax Limited	**116.834**	-
Trade payables : (Note 11)		
Thermax Limited	**12.708.679**	15.540.641
Thermax Energy and Environment Philippines Corporation	**-**	568.934
Thermax Inc.	**-**	225.312
Total	**12.708.679**	16.334.887

	March 31, 2024	March 31, 2023
Accrued expense		
Thermax Limited	**4.058.435**	1.858.157
Thermax Inc.	**13.031**	-
Thermax Energy and Environment Philippines Corporation	**-**	253.041
Total	**4.071.466**	2.111.198

b. Transactions with related parties

	March 31, 2024	March 31, 2023
Other operating income:		
Thermax Limited	**3.305.316**	2.983.186
Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	**153.009**	203.827
Sales of services		
Thermax Limited	**32.666**	24.803
Sales of finished goods		
Thermax Limited	**-**	78.095
Total	**3.490.991**	3.289.911

The sales of finished goods are based on cost plus certain margin agreed by both parties.

	March 31, 2024	March 31, 2023
Purchases of raw materials:		
Thermax Limited	**19.352.225**	14.678.857

The purchases of raw materials are based on cost plus certain margin agreed by both parties.

	March 31, 2024	March 31, 2023
Expenses reimbursement:		
Thermax Limited	**2.716.776**	3.042.894
Thermax Energy and Environment Philippines Corporation	**-**	1.189.797
Loan interest:		
Thermax Inc.	**360.987**	459.702
Total	**3.077.763**	4.692.393

The expenses being reimbursed are based on actual costs occurred.

c. Loans from related party

On January 31, 2022, the Company obtained loan from Thermax Inc., a related party, amounted to US$1,500,000 or equivalent to Rp22,593,000. The loan is subject to interest at the rate of 2% per annum and is used for working capital requirement. The loan has been settled on January 8, 2024.

	March 31, 2024	March 31, 2023
Current portion	**-**	22.593.000
Non-current portion	**-**	-
Total	**-**	22.593.000

d. Key management personnel compensation

Key management personnel includes Directors and a Commissioner. In 2024, the compensation for key management recorded in the financial statements amounted to Rp 3,616,089 (2023: Rp3,443,915) only for the President Director of the Company. The compensation for the Company's Commissioner and other Directors were paid directly by Thermax Limited.

23. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at March 31, 2024, the Company's financial assets which comprised cash on hand and cash in banks, trade receivables and other receivables with a total balance of Rp43,531,438 (2023: Rp32,587,250) were categorised as loans and receivables.

As at March 31, 2024, the Company's financial liabilities which comprised trade payables, and accrued expenses and other payables, other current liability and loan from related party with a total balance of Rp51,408,758 (2023: Rp96,419,729) were categorised as other financial liabilities at amortised cost.

24. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's Board of Directors. The Board of Directors provides principles for overall risk management, including market, credit and liquidity risks.

a. Market risk

i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from cash in banks, trade receivables and trade payables denominated in foreign currency.

As at March 31, 2024, if the United States Dollars had strengthened/ weakened by 10% against the Indonesian Rupiah with all other variables held constant, post-tax loss for the period would have been Rp3,097,941 (2023: Rp5,141,286) lower/higher.

ii) Interest rate risk

The Company is not significantly exposed to interest rate risk since there are no significant interest bearing financial assets and liabilities. The Company's operating cash flows are substantially independent of changes in market interest rates.

b. Credit risk

As at March 31, 2024, the total maximum exposure from credit risk amounted Rp43,531,438 (2023: Rp32,587,250). The credit risk primarily arises from cash on hand and cash in banks, trade receivables and other receivables.

The Company manages credit risk exposure from its deposits with banks by placing them at banks with strong reputation and market position and limiting the aggregate risk from any individual counter-party.

In respect of credit given to customers, the Company has clear policies on selection of customers, legally binding agreements in place for sales of products and services transactions rendered and historically no collectibility issue.

The credit quality of trade and other receivables that are overdue but not impaired can be assessed with reference to historical information about counterparty collectibility issue as follows:

	March 31, 2024	March 31, 2023
Trade and other receivables:		
Related parties	**28.908**	764.873
Reputable or without recent history of collectibility issue	**40.947.021**	20.108.336
	40.975.929	20.873.209

c. Liquidity risk

Liquidity risk arises in situations in which the Company has difficulties obtaining the necessary resources to fulfil its financial obligations. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

All of the Company's financial liabilities amounting to Rp51,408,758 (2023: Rp73,826,729) have contractual maturities within one year and are not interest bearing.

d. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company actively and regularly reviews and manages its capital structure and shareholders returns, taking into consideration the future capital requirements and capital efficiency of the Company, prevailing and projected profitability, projected operating cash flow, projected capital expenditures, and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

e. Fair value of financial instruments

Management in the opinion that the carrying value of its financial assets and liabilities approximate the fair value of the financial assets and liabilities as at March 31, 2024. The fair value of trade payables and accrued expenses and other payables approximate their carrying value because of their short term maturity.

25. NON CASH TRANSACTIONS

	March 31, 2024	March 31, 2023
Investing activities		
Acquisition of fixed assets through accrued expenses, including accrued interest (Note 13)	**226.778**	212.606
Issuance of new share (Note 17)	**20.000.000**	-

26. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in liabilities arising from financing activities in the cash flow statement are as follows:

	Balance April 1, 2023	**Additions (proceeds)**	**Deductions (repayments)**	**Foreign exchange repayments**	**Balance March 31, 2024**
Proceed from share issuance	273.000.000	61.000.000	-	-	-
Interest expense	-	2.803.804	(2.803.804)	-	-
Payments of lease liability	803.924	37.555	(549.480)	-	291.999
Payment of loan from related party	22.593.000	-	(23.277.000)	684.000	-

27. NEW ACCOUNTING STANDARDS

The following are several issued accounting standards by the Indonesian Financial Accounting Standards Board (IFAS) that are considered relevant to the financial reporting of the Company and will be effective for reporting periods beginning on or after:

The accounting standards that have been issued up to the date of issuance of the Group's consolidated financial statements, but not yet effective are disclosed below. The management intends to adopt these standards that are considered relevant to the Company when they become effective, and the impact to the financial position and performance of the Company is still being estimated.

Effective beginning on or after January 1, 2024

Financial Accounting Standards Pillars

These standards provides requirements and guidelines for entities to apply the correct financial accounting standards in preparing general purpose financial statements. There will be 4 (four) financial accounting standards that are currently applied in Indonesia, namely:

1. Pillar 1 International Financial Accounting Standards,
2. Pillar 2 Indonesian Financial Accounting Standards (PSAK),
3. Pillar 3 Indonesian Financial Accounting Standards for Private Entities/Indonesian Financial Accounting Standards for Entities without Public Accountability, and
4. Pillar 4 Indonesian Financial Accounting Standards for Micro Small and Medium Entities.

International Financial Accounting Standard

This standard is a full-adoption of International Financial Reporting Standards ("IFRS") which is translated in a word-for-word basis and there is no modifications from IFRS Standards, including the effective date. Entities that meet the requirements can apply this standard, from the effective date.

Financial Accounting Standards Nomenclature

This standard regulates the new numbering for financial accounting standards applicable in Indonesia issued by DSAK IAI.

Amendment of PSAK 1: Non-current Liabilities with Covenants

The amendments specify the requirements for classifying liabilities as current or non-current and clarify:

- what is meant by a right to defer settlement,
- the right to defer must exist at the end of the reporting period,
- classification is not affected by the likelihood that an entity will exercise its deferral right, and
- only if an embedded derivative in a convertible liability is an equity instrument would the terms and conditions of a liability will not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 retrospectively with early adoption permitted.

The Group is currently assessing the impact of the amendment to determine the impact they will have on the Company's financial reporting.

Amendment of PSAK 73: Lease liability in a Sale and Leaseback

The amendment to PSAK 73 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains.

The amendment applies retrospectively to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. The Company is currently assessing the impact of the amendment to determine the impact they will have on the Company's financial reporting.

Amendment of PSAK 2 and PSAK 60: Supplier Finance Arrangements

The amendments to PSAK 2 and PSAK 60 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted, but will need to be disclosed.The amendments are not expected to have a material impact on the Company's financial statements.

Effective beginning on or after January 1, 2025

PSAK 74: Insurance Contracts

A comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, upon its effective date, PSAK 74 will replace PSAK 62: Insurance Contracts. PSAK 74 applies to all types of insurance contracts, life, non-life, direct insurance and re-insurance, regardless of the entities issuing them, as well as to certain guarantees and financial instruments with discretionary participation features, while a few scope exceptions will apply. The overall objective of PSAK 74 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

PSAK 74 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted, provided the entity also applies PSAK 71 and PSAK 72 on or before the date of initial application of PSAK 74. This standard is not expected to have any impact to the financial reporting of the Company upon first-time adoption.

28. MANAGEMENTS RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The Company's financial statements were authorised by the Board of Directors on May 13, 2024.

THERMAX ENGINEERING SINGAPORE PTE. LTD.

Board of Directors	***Registered Office***	***Auditors***	***Bankers***
Rajendran Arunachalam Ha Ling-Ling Pheroz Naswanjee Pudumjee Mahesh Channakeshaviah Bukinkere	80, Robinson road, #25-00, Singapore- 068898	Paul Wan Co. 10 Anson Road, #35-07/08, International Plaza, Singapore 079903	Citi Bank, Singapore

Directors' Statement

The directors present their statement to the member together with the audited financial statements of Thermax Engineering Singapore Pte. Ltd. (the "Company") for the financial year ended 31 March 2024.

1. Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Company for the financial year ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Corliss Ha Ling-Ling
Pheroz Naswanjee Pudumjee
Rajendran Arunachalam
Mahesh Channakeshaviah Bukinkere

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interest in the shares or debentures of the Company or its related corporations, except as stated below:

Name of directors	**Direct interest**	
	At beginning of financial year	**At end of financial year**
Pheroz Naswanjee Pudumjee		
-Thermax Limited	6,000	6,000
-Ara Trusteeship Company Pvt.Ltd	500	500
-Thermax Engineering Construction Company Ltd.	10	10
-Thermax Cooling Solutions Limited	1	1
-Thermax Onsite Energy Solutions Ltd.	1	1
-Thermax Instrumentation Ltd.	1	1
Rajendran Arunachalam		
-Thermax Limited	500	877

5. Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. Independent auditor

The independent auditor, Paul Wan & Co has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

Rajendran Arunachalam
Director

Mahesh Channakeshaviah Bukinkere
Director

Date : May 03, 2024

Independent Auditor's Report to the Member of Thermax Engineering Singapore Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thermax Engineering Singapore Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SSAs 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 financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PAUL WAN & CO

Public Accountants and

Chartered Accountants

Singapore

Date : May 03, 2024

THERMAX ENGINEERING SINGAPORE PTE. LTD.

Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 March 2024

	NOTE	For the financial year ended 31 March 2024		For the financial year ended 31 March 2023	
		USD	Rs Lacs	USD	Rs Lacs
Revenue	4	-	-	880,202	723.22
Cost of Sales		-	-	(779,086)	(640.14)
Gross Profit		-	-	101,116	83.08
Other Operating income		19,910	16.60	2,622	2.15
Administrative Expenses		(80,391)	(67.05)	(350,244)	(287.78)
Finance cost		-	-	(1,072)	(0.88)
Other expenses	5	(490,224)	(408.85)	(88,329)	(72.58)
		(550,705)	(459.29)	(437,023)	(359.08)
Impairment loss on investment in subsidiaries		(7,735,385)	(6,451.31)	(335,806)	(275.91)
Loss Before tax	6	(8,286,090)	(6,910.60)	(671,713)	(551.91)
Income tax expenses	7	-	-	-	-
Loss for the financial year, representing total comprehensive loss for the financial year		(8,286,090)	(6,910.60)	(671,713)	(551.91)

Exchange Rate : as at 31 March 2024 is 1 USD = Rs 83.40
Exchange Rate : as at 31 March 2023 is 1 USD = Rs 82.1650

The accompanying notes form an integral part of the financial statements.

Statement of Financial Position
For the Financial year ended 31 March 2024

	NOTE	2024		2023	
		USD	Rs Lacs	USD	Rs Lacs
ASSETS					
Non-current assets					
Investments in subsidiaries	8	10,282,663	8,575.74	15,057,009	12,371.59
Financial Asset, at FVOCI	9	1	0.00	1	0.00
		10,282,664	8,575.74	15,057,010	12,371.59
Current assets					
Trade and other receivables	10	2,976	2.48	59,818	49.15
Cash & cash equivalents	11	457,441	381.51	425,627	349.72
		460,417	383.99	485,445	398.87
Total assets		10,743,081	8,959.73	15,542,455	12,770.46
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	12	27,484,356	22,921.95	23,984,356	19,706.75
Accumulated losses		(16,840,974)	(14,045.37)	(8,554,884)	(7,029.12)
		10,643,382	8,876.58	15,429,472	12,677.63
Current liabilities					
Trade and Other payables	13	99,699	83.15	112,983	92.83
		99,699	83.15	112,983	92.83
Total Equity and Liabilities		10,743,081	8,959.73	15,542,455	12,770.46

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity For the Financial year ended 31 March 2024

2024	Note	Share Capital		Retained earnings		Total Equity	
		USD	Rs Lacs	USD	Rs Lacs	USD	Rs Lacs
Beginning of financial year		**23,984,356**	**20,002.95**	**(8,554,884)**	**(7,134.77)**	**15,429,472**	**12,868.18**
Shares issued during the year	12	**3,500,000**	**2,919.00**	**-**	**-**	**3,500,000**	**2,919.00**
Loss for the year, representing total comprehensive loss for the year		**-**	**-**	**(8,286,090)**	**(6,910.60)**	**(8,286,090)**	**(6,910.60)**
End of financial year		**27,484,356**	**22,921.95**	**(16,840,974)**	**(14,045.37)**	**10,643,382**	**8,876.58**

2023	Note	Share Capital		Retained earnings		Total Equity	
		USD	Rs Lacs	USD	Rs Lacs	USD	Rs Lacs
Beginning of financial year		22,984,356	19,168.95	(7,883,171)	(6,574.56)	15,101,185	12,594.39
Shares issued during the year	12	1,000,000	834.00	-	-	1,000,000	834.00
Loss for the year, representing total comprehensive loss for the year		-	-	(671,713)	(560.21)	(671,713)	(560.21)
End of financial year		23,984,356	20,002.95	(8,554,884)	(7,134.77)	15,429,472	12,868.18

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flow For the Financial year ended 31 March 2024

	Notes	For the financial year ended 31 March 2024		For the financial year ended 31 March 2023	
		USD	Rs Lacs	USD	Rs Lacs
Cash flow from operating activities					
Loss before tax		**(8,286,090)**	**(6,910.60)**	(671,713)	(551.91)
Adjustments for:					
-Impairment Loss on investment in subsidiaries	8	**7,735,385**	**6,451.31**	335,806	275.91
-Interest expense		**-**	**-**	1,072	0.88
-Depreciation of Property, plant & equipment		**-**	**-**	99,261	81.56
-Interest Income		**19,910**	**16.60**	-	-
-Impairment loss on trade receivables	10	**52,645**	**43.91**	43,837	36.02
-Property, plant and equipment written off		**-**	**-**	2,434	2.00
-Loss on disposal of property, plant and equipment		**-**	**-**	81,374	66.86
-Loss on disposal of investment in subsidiaries		**471,635**	**393.34**	-	-
		(6,515)	**(5.43)**	(107,929)	(88.68)
Changes in working capital:					
- Trade and other receivables		**4,197**	**3.50**	572,217	470.16
- Trade and other payables		**(13,284)**	**(11.08)**	(1,664,872)	(1,367.94)
Operating profit after working capital changes		**(15,602)**	**(13.01)**	(1,200,584)	(986.46)
Income Tax Paid		-	-	-	-
Net cash used in operating activities		**(15,602)**	**(13.01)**	(1,200,583)	(986.46)
Cash flows from investing activities					
Interest received		**(19,910)**	**(16.60)**	-	-
Proceed of Property, plant & equipment		**-**	**-**	3,506	2.88
Investments in subsidiaries	8	**(3,961,039)**	**(3,303.51)**	-	-
Proceed of investment in subsidiaries		**528,365**	**440.66**	-	-
Net cash (used in)/generated from investing activities		**(3,452,584)**	**(2,879.46)**	3,506	2.88
Cash flows from financing activities					
Principal repayment of lease liability		**-**	**-**	(99,713)	(81.93)
Proceeds from issuance of ordinary shares	12	**3,500,000**	**2,919.00**	1,000,000	821.65
Net cash generated from financing activities		**3,500,000**	**2,919.00**	900,287	739.72
Net change in cash and cash equivalents		**31,814**	**26.53**	(296,790)	(243.86)
Cash at the beginning of the year		**425,627**	**354.97**	722,417	593.57
Cash and cash equivalents at end of the year	11	**457,441**	**381.51**	425,627	349.72

A reconciliation of liabilities arising from financing activity is as follows:

	1 April 2023 US$	Principal Payments US$	Non-cash changes	31 March 2024 US$
			Interest expense US$	
Lease liabilities	-	-	-	-

	1 April 2022 US$	Principal Payments US$	Non-cash changes	31 March 2023 US$
			Interest expense US$	
Lease liabilities	98,641	(99,713)	1,072	-

THERMAX ENGINEERING SINGAPORE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial year ended 31 March 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

Thermax Engineering Singapore Pte.Ltd. (the "Company") is incorporated in Singapore with its registered office and principal place of business is located at 80 Robinson Road, #25-00, Singapore 068898.

The principal activity of the Company is that of an investment holding company and selling of industrial machinery and equipment to customers.

The immediate holding company is Thermax Limited, a company incorporated in India.

The financial statements of the Company for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States dollars ("US$"), which is the Company's functional currency.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2023.The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Exemption from preparing consolidated financial statements

These financial statements are the separate financial statements of the Company. The Company is exempted from the preparation of consolidated financial statements as the Company is a wholly-owned subsidiary of Thermax Limited, which produces consolidated financial statements available for public use. The registered office of Thermax Limited where those consolidated financial statements can be obtained is as follows: D-13, MIDC Industrial Area, R D Aga Road, Chinchwad, Pune 411019, India.

2.5 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.6 Subsidiaries

Subsidiaries are entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiaries is carried at cost less accumulated impairment losses in the Company's statement of financial position.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and FVPL.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

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Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

(a) currently has a legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.9 Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and bank deposit, which are subject to an insignificant risk of changes in value.

2.11 Provisions

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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where 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.

2.12 Employee benefits

Defined contribution plan

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.13 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue from sales of goods

The Company is involved in selling of industrial machinery and equipment to customers. Revenue from sales of these products is recognised at a point in time when the products are delivered to customers. There is no element of significant financing component in the Company's revenue transaction as customers are required to pay within credit term of 30 to 90 days.

2.14 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. 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 taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income 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 at the end of the reporting date between the bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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 rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are off set, if a legally enforceable right exist to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Service Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of sales tax except:

(i) where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.15 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.16 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

Management is of the opinion that there are no significant judgements (rather than those involving estimates as disclosed in Note 3.2 below) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of investment in subsidiaries

The Company follows the guidance of FRS 36 Impairment of Assets on determining whether investment in subsidiaries is impaired. This determination requires significant judgement. The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of the near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

The carrying amount of the Company's investment in a subsidiary as at 31 March 2024 was US$10,282,663 (2023: US$15,057,009).

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4. Revenue
Disaggregation of revenue

	2024	2023
	US$	US$
At a point in time		
Sales of goods	-	880,202

5. Other expenses

	2024	2023
	US$	US$
Foreign exchange difference, net	**1,273**	4,521
Loss on disposal of investment in a subsidiary	**471,635**	81,374
Property, plant and equipment written off	-	2,434
Capital gain tax paid in Sri Lanka	**17,316**	-
	490,224	88,329

6. Loss before tax

Loss before tax has been arrived at after charging:

	2024	2023
	US$	US$
Depreciation of property, plant and equipment	-	99,261
Employee benefits expense	**(11)**	116,474
Professional fee	**26,444**	35,089

7. Income tax expense

The major components of income tax expense recognised in profit or loss for the years ended 31 March 2024 and 2023 were:

	2024	2023
	US$	US$
Current income tax		
- current year	-	-

Relationship between accounting loss and tax expense

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2024 and 2023 were as follows,

	2024	2023
	US$	US$
Loss before tax	**(8,286,090)**	(671,713)
Tax at the applicable tax rate of 17% (2023: 17%)	**(1,408,635)**	(114,191)
Expenses not deductible for income tax purpose	**1,315,015**	72,036
Income not subject to tax	-	(825)
Deferred tax assets not recognised	-	43,426
Deferred tax assets disregarded	**97,005**	-
Utilisation of deferred tax assets previously not recognised	**(3,385)**	(446)
Income tax expense	-	-

As at 31 March 2024, the Company has unutilised tax losses amounting to approximately US$842,000 (2023: US$291,000), which are available for offset against future taxable profits, subject to agreement by the tax authorities in the Singapore. The tax losses have no expiry date.

Deferred tax assets have not been recognised as there is no certainty that there will be sufficient future taxable profits to realise these future benefits. Accordingly, the deferred tax assets have not been recognised in the financial statements.

8. Investment in a subsidiaries

	2024	2023
	US$	US$
Unquoted shares, at cost		
At the beginning of the financial year	**22,681,624**	22,681,624
Addition	**3,961,039**	-
Disposals	**(1,000,000)**	-
	25,642,663	22,681,624
Less: Allowance for impairment losses	**(15,360,000)**	(7,624,615)
At the end of the financial year	**10,282,663**	15,057,009

The movement in allowance for impairment losses of investment in subsidiaries was as follows:

	2024	2023
	US$	US$
At 1 April	**7,624,615**	7,288,809
Addition	**8,200,000**	335,806
Disposals	**(464,615)**	-
At 31 March	**15,360,000**	7,624,615

The details of the subsidiaries at are as follow: -

Name of Subsidiary (Country of incorporation)	Principal activities	Proportion of equity held by the Company	
		2024 %	2023 %
PT Thermax International Indonesia (Indonesia)	Manufacture of component parts	**99.99**	99.99
Thermax Energy & Environment Philippines Corporation (Philippines)*	Marketing and sales of component parts	**100**	100
Thermax Energy & Environment Lanka (Private) Limited (Sri Lanka)	Marketing and sales of component parts	**-**	100
Thermax Sdn Bhd (Malaysia)	Marketing and sales of component parts	**100**	100
Thermax (Thailand) Limited	Marketing and sales of component parts	**99.99**	99.99

*100% beneficial owner of Thermax Energy & Environment Philippines Corporation is Thermax Engineering Pte. Ltd. 5 individual are holding 1 share each in trust for beneficial owner to fulfil the local law requirement to have minimum 5 natural persons as members.

9. Financial assets, at FVOCI

	2024	2023
	US$	US$
At beginning and end of financial year	1	1

Name of Subsidiary (Country of incorporation)	Principal activities	Proportion of equity held by the Company	
		2024 %	2023 %
Thermax Nigeria Limited	Marketing and sales of component parts	0.0004	0.0004

10. Trade and other receivables

	2024	2023
	US$	US$
Trade receivables		
- third parties	96,482	96,482
Less: Allowance for expected credit losses	(96,482)	(43,837)
	-	52,645
Other receivables		
Deposits	-	564
GST receivables, net	-	308
Interest receivables	1,836	2,621
Prepayments	1,140	3,680
	2,976	7,173
Total trade and other receivables	2,976	59,818

Trade receivables are unsecured, non-interest bearing and generally on 30 to 90 (2023: 30 to 90) days' credit terms.

The currency profile of the Company's trade and other receivables as at the end of the reporting period are as follows:

	2024	2023
	US$	US$
United States dollar	1,836	55,266
Singapore dollar	1,140	4,552
	2,976	59,818

11. Cash and cash equivalents

	2024	2023
	US$	US$
Cash at banks	157,441	125,627
Fixed deposit	300,000	300,000
	457,441	425,627

Short-term fixed deposit bears interest at 4.79% (2023: 4.31%).

12. Share capital

	2024	2023	2024	2023
	Number of ordinary shares	Number of ordinary shares	US$	US$
Issued and paid-up capital				
At beginning of the financial year	23,984,356	22,984,356	23,984,356	22,984,356
Issue of new shares	3,500,000	1,000,000	3,500,000	1,000,000
At end of financial year	27,484,356	23,984,356	27,484,356	23,984,356

The holder of ordinary shares are entitled to receive dividends as and when declared by the Company.

On 14 December 2023, the Company issues 3,500,000 ordinary shares for a total consideration of USD 3,500,000 for cash to provide funds for general working capital purposes.

13. Trade and other payables

	2024	2023
	US$	US$
Trade payables		
- holding company	87,543	97,280
	87,543	97,280
Other payables		
- third parties	-	649
Accruals	12,156	15,054
	99,699	112,983

Trade payables are unsecured, non-interest bearing and normally settled within 30 (2023: 30) days' credit terms.

The non-trade amount due to holding company are unsecured, non-interest bearing and repayable on demand. This amount has been fully settled in 2024.

The currency profile of the Company's trade and other payables as at the end of the reporting period are as follows:

	2024	2023
	US$	US$
United States dollar	87,543	100,170
Singapore dollar	12,156	12,813
Euro	-	-
	99,699	112,983

15. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2024	2023
	US$	US$
Holding company		
Purchase of goods	-	779,086
Issuance of new shares	3,500,000	-
Related party		
Disposal of investment in subsidiary	528,365	-

Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The Directors of the company are considered key management personnel of the company and they did not receive any remuneration from the Company during the financial year.

16. Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial

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year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 360 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 720 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognition of expected credit losses (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >360 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			US$	US$	US$
31 March 2024					
Trade receivables	**Note I**	**Lifetime ECL (simplified)**	**96,482**	**(96,482)**	**-**
Other receivables			**1,836**	**-**	**1,836**
				-	
31 March 2023					
Trade receivables	Note 1	Lifetime ECL (simplified)	96,482	(43,837)	52,645
Other receivables			3,185	-	3,185
				-	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Days past due					
	Not past due	1 to 30	31 to 60	61 to 90	91 and above	Total
	US$	US$	US$	US$	US$	US$
31 March 2024						
Trade receivables	**-**	**-**	**-**	**-**	**96,482**	**96,482**
ECL	**-**	**-**	**-**	**-**	**(96,482)**	**(96,482)**
	-	**-**	**-**	**-**	**-**	**-**
31 March 2023						
Trade receivables	-	-	-	2,938	93,544	96,482
ECL	-	-	-	-	(43,837)	(43,837)
	-	-	-	2,938	49,707	52,645

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except for outstanding trade receivables from 1 (2023: 1) customers which represent 91% (2023: 76%) of total trade receivables balance as at 31 March 2024.

Other receivables and amount due from holding company

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company finances its working capital requirements through a combination of funds generated from operations and financing from holding company, if necessary. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Less than 1 year	Between 1 and 5 years	Total
	US$	US$	US$
31 March 2024			
Trade and other payables	**12,156**	**87,543**	**99,699**
	12,156	**87,543**	**99,699**
31 March 2023			
Trade and other payables	112,983	-	112,983
	112,983	-	112,983

17. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities at amortised cost were as follows:

	2024	2023
	US$	US$
Financial assets measured at amortised cost		
Trade and other receivables (Note 10)	**1,836**	55,831
Cash and cash equivalents (Note 11)	**457,441**	425,627
Total financial assets measured at amortised cost	**459,277**	481,458
Financial assets measured at FVOCI		
Financial assets, at FVOCI (Note 9)	**1**	1
Financial liabilities measured at amortised cost		
Trade and other payables (Note 13)	**99,699**	112,983
Total financial liabilities measured at amortised cost	**99,699**	112,983

18. Fair value of financial instruments

Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the reporting date:

	Fair value measurements at the reporting date using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	US$	US$	US$	US$
31 March 2024				
Financial assets				
At FVOCI – non-listed equity instruments (Note 9)	-	-	1	1
31 March 2023				
Financial assets				
At FVOCI – non-listed equity instruments (Note 9)	-	-	1	1

The fair value of the financial assets, at FVOCI representing the investments, which are classified as Level 3 as management is able to obtain the observable data directly from the fund manager, such as financial statements on a yearly basis for the identification of the fair value for the financial assets, at FVOCI.

Fair value of financial instruments that are not carried at fair value

The carrying amount of the current financial assets that are not carried at fair value approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

Fair value of financial instruments carried at fair value

The Company has no financial assets and financial liabilities carried at fair value as at 31 March 2024 and 2023.

19. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

Thermax Energy & Environment Philippines Corporation
(A Subsidiary of Thermax Engineering Singapore Pte. Ltd.)

Board of Directors
Swapnil Dhumane
Rabindranath Pillai
Sandeep Mandke
Ramil E Bugayong
Patrick Arcellana
Matt Alla (Treasurer)

Registered Office
Unit 4028, 40th floor, PBCOM Tower,
6795 Ayala Ave. Corner Rufino,
Makati City 1226, Metro Manila, Philippines

Auditors
SpCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Bankers
Citi Bank,NA

INDEPENDENT AUDITOR'S REPORT

Thermax Energy & Environment Philippines Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thermax Energy & Environment Philippines Corporation (the Company), which comprise the statements of financial position as at March 31, 2024 and 2023, and the statements of income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for Small Entities).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, 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 opinion.

Responsibilities of Management and Those agreed with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for Small Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 PSAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 financial statements, including the disclosures, and whether the 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.

Report on the Supplementary Information Required Under Revenue Regulations 15-2020 and 34-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2020 and 34-2010 in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Thermax Energy & Environment Philippines Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ysmael S. Acosta
Partner

CPA Certificate no. 112825
Tax Identification Number. 301-106-775
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-130-2023, September 12,2023,
valid until September 11, 2026
PTR No. 10079891, January 5, 2024, Makati City

May 2, 2024

Thermax Energy & Environment Philippines Corporation
(A Subsidiary of Thermax Engineering Singapore Pte. Ltd.)

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors

Thermax Energy & Environment Philippines Corporation Unit 4028, 40th Floor PBCOM Tower

6795 Ayala Ave., corner Rufino St., Makati City

We have audited the financial statements of Thermax Energy & Environment Philippines Corporation (the Company), as at March 31, 2024 and for the year then ended, on which we have rendered the attached report dated May 2, 2024.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the above Company has only one (1) stockholder owning one hundred (100) or more shares

SYCIP GORRES VELAYO & CO.

Ysmael S. Acosta

Partner

CPA Certificate no. 112825
Tax Identification Number. 301-106-775
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-130-2023, September 12,2023, valid until September 11, 2026
PTR No. 10079891, January 5, 2024, Makati City

May 2, 2024

Statement of Financial Position
As on March 31, 2024
(With Comparative Figure for 2023)

	Note No	As at March 31, 2024		As at March 31, 2023	
		PHP	Rs Lacs	PHP	Rs Lacs
ASSETS					
Current Assets					
Cash in bank	4	**19,512,807**	**289.52**	23,935,018	362.40
Trade and other receivables	5	**18,959,302**	**281.30**	12,760,069	193.20
Prepayments and other current assets	6	**1,781,561**	**26.43**	1,278,554	19.36
Security deposits	7	**586,980**	**8.71**	436,580	6.61
Total Currents Assets		**40,840,650**	**605.96**	38,410,221	581.58
Non-current Assets					
Office Equipment	8	**-**	**-**	-	-
TOTAL ASSETS		**40,840,650**	**605.96**	38,410,221	581.58
LIABILITIES AND EQUITY					
Current Liabilities					
Acrruals and other payables	9	**3,102,689**	**46.04**	2,530,846	38.32
Non Current Liabilities					
Deferred tax liability		**141,901**	**2.11**	257,948	3.91
Total Liabilities		**3,244,590**	**48.14**	2,788,794	42.23
Equity					
Capital stock	11	**49,000,000**	**727.02**	49,000,000	741.92
Deficit		**(11,403,940)**	**(169.20)**	(13,378,573)	(202.57)
Total Equity		**37,596,060**	**557.82**	35,621,427	539.35
TOTAL LIABILITIES AND EQUITY		**40,840,650**	**605.96**	38,410,221	581.58

See accompanying Notes to Financial Statements.

Statement of Comprehensive Income
For the year ended March 31, 2024
(With Comparative Figures for the year from April 1, 2022 to March 2023)

	Note No	March 31, 2024		March 31, 2023	
		PHP	Rs Lacs	PHP	Rs Lacs
Revenues	12	**16,904,003**	**250.81**	17,057,489	258.27
Cost of Services	14	**12,068,627**	**179.06**	11,493,223	174.02
Gross Income		**4,835,376**	**71.74**	5,564,266	84.25
Operating expenses and Administrative expnese	15	**3,944,732**	**58.53**	5,458,895	82.65
Profit (Loss) From Operations		**890,644**	**13.21**	105,371	1.60
Other Income	13	**1,566,970**	**23.25**	2,074,276	31.41
Loss Before Income Tax		**2,457,614**	**36.46**	2,179,647	33.00
Provision For (Benefit From) Income Tax	18	**482,980**	**7.17**	432,479	6.55
Net Profit/ (Loss)		**1,974,634**	**29.30**	1,747,168	26.45
Total Comprehensive Profit/ (Loss)		**1,974,634**	**29.30**	1,747,168	26.45

See accompanying Notes to Financial Statements.

Thermax Energy & Environment Philippines Corporation

(A Subsidiary of Thermax Engineering Singapore Pte. Ltd.)

Statement of Cash Flows

For The Year Ended March 31, 2024

(With Comparative Figure for the year ended March 31, 2023)

		March 31, 2024		March 31, 2023	
		PHP	Rs Lacs	PHP	Rs Lacs
CASH FLOWS FROM OPERATING ACTIVITIES					
Income / (loss) before income tax		**2,457,614**	**36.37**	2,179,647	33.00
Adjustment for :					
Bad debt expenses	15	**-**	**-**	129,655	1.96
Unrealized gain on foreign exchange		**(709,503)**	**(10.50)**	(1,289,738)	(19.53)
Interest income	4 & 13	**(184,867)**	**(2.74)**	(17,250)	(0.26)
Operating Profit before working capital changes		**1,563,244**	**23.14**	1,002,314	15.18
Decrease / (Increase) in:					
Trade and other receivables	5	**(5,071,045)**	**(75.05)**	1,078,265	16.33
Prepayments and other current assets		**(503,008)**	**(7.44)**	1,938,874	29.36
Security Deposit		**(150,400)**	**(2.23)**	-	-
Increase / (Decrease) in:					
Accruals and other payables	9	**571,843**	**8.46**	125,984	1.91
Net cash generated from / (used for) operations		**(3,589,366)**	**(53.12)**	4,145,437	62.77
Interest received		**184,867**	**2.74**	17,250	0.26
Income tax paid		**(599,027)**	**(8.87)**	(351,841)	(5.33)
Net cash provided by / (used in) operating activites		**(4,003,526)**	**(59.25)**	3,810,846	57.70
EFFECT OF EXCHANGE RATE CHANGES ON CASH		**(418,685)**	**(6.20)**	1,003,680	15.20
NET INCREASE (DECREASE) IN CASH		**(4,422,211)**	**(65.45)**	4,814,526	72.90
CASH AT BEGINNING OF YEAR		**23,935,018**	**354.24**	19,120,492	289.51
CASH AT END OF YEAR	4	**19,512,807**	**288.79**	23,935,018	362.40

See accompanying Notes to Financial Statements

Exchange Rate :as at 31 March 2024 is 1 PHP = 1.48
Exchange Rate :as at 31 March 2023 is 1 PHP = 1.5141

Statement of Equity

For the year Ended March 31, 2024

(With Comparative Figure for the year April 1, 2022 to March 31, 2023)

	(Note 11) Capital Stock		Deficit		Total	
	PHP	Rs Lacs	PHP	Rs Lacs	PHP	Rs Lacs
For the year Ended March 31, 2024						
Balances at beginings of year	**49,000,000**	**727.02**	**(13,378,573)**	**(198.50)**	**35,621,427**	**528.52**
Net Income / (Loss)	**-**	**-**	**1,974,634**	**29.30**	**1,974,634**	**29.30**
Balance at end of year	**49,000,000**	**727.02**	**(11,403,939)**	**(169.20)**	**37,596,061**	**557.82**
For the year Ended March 31, 2023						
Balances at beginings of year	49,000,000	741.92	(15,125,741)	(229.02)	33,874,259	512.90
Net Income / (Loss)	-	-	1,747,168	26.45	1,747,168	26.45
Balance at end of year	49,000,000	741.92	(13,378,573)	(202.57)	35,621,427	539.35

See accompanying Notes to Financial Statements

Notes to Financial Statements

1. Corporate Information

Thermax Energy & Environment Philippines Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 19, 2016 with a corporate life of fifty (50) years from and after the date of issuance of the certificate of incorporation in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg. 68) and the Foreign Investments Act of 1991 (Republic Ac No. 7042, as amended).

The Company is primarily involved into marketing and sales support services to Thermax Ltd. and its group companies to negotiate and finalize order terms with customers and sell its products/industrial equipment such as boilers, heaters, water and waste water treatment plants, air pollution control equipment, chemicals, absorption chillers, geothermal plants, solar based systems & power plants etc., support customers in installation, commissioning of equipment, sell spare parts and provide after-sales and related services to third-party customers in Philippines.

The Company is a wholly owned subsidiary of Thermax Engineering Singapore Pte. Ltd. (the Parent Company). The Company's Ultimate Parent Company is RDA Holdings Pvt. Ltd. which was incorporated under the laws of India.

The Company's registered office is Unit 4028, 40th Floor PBCOM Tower, 6795 Ayala Ave., corner Rufino St., Makati City.

The Company has two (2) and three (3) employees as at March 31, 2024 and 2023 respectively

The financial statements were approved and authorized for issuance by the Board of Directors (BOD) on May 2, 2024.

2. Summary of Significant Accounting Policies

Basis of preparation

The accompanying financial statements have been prepared on a historical cost basis and are presented in Philippine Peso (₱), the Company's functional currency. All amounts are rounded to the nearest Philippine Peso, unless otherwise indicated.

Statement of Compliance

The financial statements have been prepared in accordance with the Philippine Financial Reporting Standard for Small Entities (PFRS for Small Entities) as approved by the Financial Reporting Standards Council, Board of Accountancy and SEC.

For Philippine financial reporting purposes, PFRS for Small Entities shall cover entities that:

(a) have total assets or total liabilities between ₱3 million and ₱100 million,

(b) are not required to file financial statements under Securities Regulation Code (SRC) Rule 68.1 (unlisted and non-public entities),

(c) are not in the process of filing financial statements for the purpose of issuing any class of instruments in a public market, and

(d) are not holders of secondary licenses issued by a regulatory agency such as banks, investment houses, finance companies, securities broker/dealers, mutual funds and pre-need companies.

Financial Instruments

Classification

The following are basic financial instruments:

- Cash
- A debt instrument that satisfies specific criteria
- A commitment to receive a loan that
  - o Cannot be settled net in cash, and
  - o When the commitment is executed, is expected to meet the conditions of a debt instrument above
- An investment in non-convertible preference shares and non-puttable ordinary shares or preference shares.

Other financial instruments would include instruments that are not within the scope of basic financial instruments.

The Company's basic and other financial assets and liabilities include "Cash in bank", "Trade and other receivables", "Security deposits" and "Accruals and other payables" (except for statutory liabilities).

Recognition

Basic and other financial assets and liabilities are recognized when the entity becomes a party to the contracts.

Initial Measurement of Financial Instruments

Basic financial instruments are measured at their transaction price including transactions costs. If the contract constitutes a financing arrangement it is measured at the present value of future payments discounted at a market rate of interest for a similar instrument (this is not applicable to assets and liabilities classified as current, unless they incorporate a finance arrangement).

If interest is not at a market rate, the fair value would be future payments discounted at a market rate of interest. Other financial instruments are initially measured at fair value, which is usually their transaction price. This will exclude transaction costs.

Subsequent Measurement

Debt instruments are measured at amortized cost using the effective interest rate. Commitments to receive a loan are measured at cost less impairment.

All other financial instruments are measured at fair value at reporting date. The only exception are equity instruments (and related contracts that would result in delivery of such instruments) that are not publicly traded and whose fair value cannot be reliably determined are measured at cost less impairment.

Impairment of Financial Instruments

At each reporting date, an assessment is made by the Company as to whether there is objective evidence of a possible impairment. The impairment loss of financial instruments at amortized cost is the difference between carrying value and the revised cash flows discounted at the original effective interest rate.

The impairment of financial instruments at cost less impairment is the difference between the carrying value and best estimate of the amount that would be received if the asset were sold at the reporting date.

Fair Value

The standard makes use of a fair value hierarchy. This is quoted prices in an active market, prices in recent transactions for the identical assets (adjusted if necessary), and use of a valuation technique (that reflects how the market would expect to price the asset and the inputs reasonably represent market expectations). Fair value, where there is no active market, is only considered reliable if the variability in the range of fair values is not significant and the probabilities of various estimates can be reasonably assessed.

Derecognition

The Company derecognizes a financial asset when:

- The contractual rights to the cash flows from the financial asset expire or are settled.

- The Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset.
- The Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party.

The Company derecognizes a financial liability when extinguished, cancelled or has expired.

Trade and other receivables

This represents receivables from customers and related parties for services rendered and rolling advances to assignees for business-related expenses. Advances to officers and employees are initially measured at fair value and subsequently measured at amortized cost less any impairment loss.

Prepayments and other current assets

This includes prepaid expenses, input value-added tax (VAT) and deferred input VAT.

Prepaid expenses

Prepaid expenses represent advance payments initially recorded as asset when paid. The portion of asset that have been used or expired during the period is charged to expense.

Value-added tax

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

Security deposits

Security deposits represent rental deposit with the lessor for the condominium unit. These are measured initially at fair value and subsequently measured at amortized cost less any impairment loss.

Office equipment

Office equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation commences once the property and equipment are available for use and is calculated on a straight-line method over the estimated useful life (EUL) of the asset. The estimated useful life of computer equipment is three (3) years.

The assets' EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from the items of office equipment.

An item of office equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the office equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the property and equipment) is included in the statements of income for the year.

Impairment of non-financial assets

Prepayments and other current assets and office equipment are assessed at each reporting date to determine whether there is an indication that they are impaired. When an impairment indicator is identified, the carrying value of the asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Company will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

Accruals and other payable

Accruals and other payables are present obligations on the basis of normal credit terms and do not bear interest. These are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established or when the corresponding assets or expenses are recognized. The Company classifies a liability as current when it expects to settle the liability within 12 months after the reporting period.

Other payables represent reimbursement of business-related expenses incurred by the employees. These are initially measured at fair value and subsequently measured at amortized cost.

Provisions

Provisions are recognized 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets and contingent liabilities

Contingent assets are not recognized in the financial statements but disclosed when inflow of economic benefits is probable. Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Revenue and expense recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue and expense is recognized:

Service income

Service and commission income are recognized when services are rendered.

Interest income

Interest income is recognized as it accrues, net of final taxes.

Other income

Other income is recognized as it accrues.

Notes to Financial Statements

Expenses

Expenses are recorded when incurred and measured at the amount paid or payable.

Foreign Currency Transactions

In preparing the financial statements, transactions in foreign currencies other than the functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currency are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Foreign currency gain or loss resulting from the settlement of such transaction at year-end exchange rates of monetary asset denominated in foreign currency is recognized in the statement of income.

Employee benefits

Short-term benefits

The Company provides short-term benefits to its employees in the form of salaries and wages, 13th month pay, contributions to SSS/PHIC/HDMF, bonuses and allowances that are presented under salaries, wages and employee benefits as part of expenses.

Leases - Company as lessee

Leases applies to an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

A lessee shall recognize all lease payments as expense in profit or loss in the period in which they are incurred.

Income tax

Current tax assets and liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting date. They are recalculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the income statement.

Deferred income tax is provided using the balance sheet liability method on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred income tax asset can be utilized.

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 income will be available to allow all as part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each end of the reporting period and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial reporting date.

Equity

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issue of new shares are shown in the equity as a deduction from proceeds, net of tax. When the shares are sold at premium, the difference between the proceeds at the par value is credited to “Additional paid-in capital” account. Direct costs incurred related to equity issuance are chargeable to “Additional paid-in capital” account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Deficit include all current and prior period results of operation as reported in the statement of income, net of any dividend declaration.

Events after financial reporting date

Post year-end events that provide additional information about the Company’s position at reporting date (adjusting events) are reflected in the financial statements, if any. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. Significant Accounting Estimates and Judgements

The preparation of the accompanying financial statements in conformity with PFRS for Small Entities requires the Company to make use of judgments, estimates and assumptions that affect the amounts on the financial statements and accompanying notes. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

Judgments

In process of applying the Company’s accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

Lease agreements

The Company has entered into various operating lease agreements during the current year. Based on the evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased land are not transferred to the Company. In determining significant risks and benefits of ownership, the Company considered, among others, that there is no transfer of ownership of the asset to the lessee by the end of the lease term. Thus, the Company accounted for these agreements as operating leases.

Functional currency

The Company’s management considers the Philippine Peso as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. It is the currency which measures the performance and reports the results of the Company’s operations.

4. Cash and cash equivalents

	2024	2023
Cash in banks	**₽5,452,807**	₽23,935,018
Cash equivalents	**14,060,000**	–
	₽19,512,807	₽23,935,018

Cash in bank is stated at face amount and earns interest at the prevailing bank deposit rate. Cash equivalents are short-term highly liquid investments that are made for periods up to three months.

Total interest income earned on cash and cash equivalents amounted to ₽184,867 and ₽17,250 in 2024 and 2023, respectively (see Note 13).

Unrealized foreign exchange gain (loss) due to cash and cash equivalents amounted to (₱418,685) and ₱1,003,680 in 2024 and 2023, respectively.

5. Trade and Other Receivables

	2024	2023
Accounts receivable - trade		
Related parties (Note 10)	**₱18,633,327**	₱12,032,431
Third parties	**276,976**	708,130
Advances to officers and employees	**240,000**	197,420
Interest receivable	**66,082**	17,250
Receivable from officer and employee	**19,893**	–
Advances to suppliers	–	81,814
	19,236,278	13,037,045
Less: allowance for bad debts	**(276,976)**	(276,976)
	₱18,959,302	₱12,760,069

Movements in allowance for bad debts on trade receivables in 2024 and 2023 are as follows:

	2024	2023
Beginning balance	**₱276,976**	(₱147,321)
Provisions (Note 15)	**-**	(₱129,655)
Ending balance	**(₱276,976)**	(₱276,976)

Advances to suppliers pertain to deposits for processing of visa downgrade and annual report. Advances to officers and employees represent rolling advances of assignees subject to liquidation.

6. Prepayments and Other Current Assets

	2024	2023
Prepaid expenses (Note 16)	**₱1,320,280**	₱716,535
Deferred input VAT	**125,797**	56,400
Creditable withholding taxes	**183,697**	–
Input VAT	**95,433**	–
Prepaid income tax	**53,374**	490,619
Advances for liquidation	**2,980**	15,000
	₱1,781,561	₱1,278,554

Prepaid income tax assets are tax credits for the amounts withheld by the customers on their payments for the Branch's revenue. In 2024, the Company has written-off creditable withholding taxes which it assessed as not recoverable amounting to ₱7,699 (see Note 15). Prepaid income tax applied against income tax payable for the years ended March 31, 2024 and 2023 amounted to ₱490,619 and ₱121,565, respectively.

Prepaid expenses are composed of prepaid rent, insurance, educational assistance and business permits.

Input VAT represents VAT imposed on the Company by its suppliers for the acquisition of goods and services as required by Philippine taxation laws and regulations.

The deferred input VAT pertains to input VAT on the purchase of applicable services that are still outstanding at end of the financial reporting period which will be claimed as a tax credit against output VAT upon payment of the related liability.

7. Security Deposits

This account consists of two (2) months security deposits on short-term lease contracts to the following lessors:

	2024	2023
Regus PLT Centre Inc.	**₱346,980**	₱346,980
Dennis Garces	**240,000**	-
Excellent Forex Corp.	–	89,600
	₱586,980	₱436,580

8. Office Equipment

Cost of office equipment amounted to ₱19,643 with accumulated depreciation of ₱19,643 resulting to nil net book value as at March 31, 2024 and 2023. Depreciation expense amounted to nil in 2024 and 2023. There were no acquisitions, write-offs nor disposals of office equipment in 2024 and 2023.

9. Accruals and Other Payables

	2024	2023
Deferred output VAT	**₱1,995,384**	₱1,413,118
Accrued expenses	**533,399**	607,333
Advances from officers and employees	**130,372**	251,317
Statutory payables:		
Fringe benefit tax payable	**337,802**	68,912
Withholding tax payable at source	**46,149**	41,757
Withholding tax payable on wages	**21,453**	65,097
SSS, PHIC and HDMF payable	**9,956**	26,341
Output VAT payable	–	28,799
Advances from customer	**28,174**	28,172
	₱3,102,689	₱2,530,846

Deferred output VAT represents VAT on trade receivables that are payable upon collection from customers.

Accrued expenses consist of the following:

	2024	2023
Professional fees	**₱500,746**	₱543,108
Vehicle rental	**32,653**	64,225
	₱533,399	₱607,333

Output VAT payable is the VAT payable to the government from the collection from the customers and due for remittance to the government.

10. Related Party Transactions

Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The Company, in the normal course of business, has transactions with affiliates. The Company's relationships with the related parties are disclosed below:

Related Party	Relationship

Thermax Limited	Entity under the common control of the Ultimate Parent Company
PT Thermax International Indonesia	Entity under the common control of the Ultimate Parent Company
Thermax Onsite Energy Solutions Limited	Entity under the common control of the Ultimate Parent Company

Significant transactions of the Company in the normal course of business with related parties are described below. Amount/Volume relates to the amount affecting the profit or loss of the Company. Outstanding balance is inclusive of the VAT receivable from the affiliates. Transactions are generally settled in cash, unless otherwise stated.

Category	Amount/ Volume	Outstanding Balance	Terms	Conditions
2024				
Thermax Limited				
Marketing and Sales Support Services (Note 5)	**₽ 16,516,226**	**₽ 18,633,327**	Non-interest bearing, 45-days	Unsecured, no impairment
PT Thermax International Indonesia				
Marketing and Sales Support Services (Note 5)	**-**	**-**	Non-interest bearing, 30-days	Unsecured, no impairment
Thermax Onsite Energy Solutions Limited				
Marketing and Sales Support Services (Note 5)	**₽ 387,777**	**-**	Non-interest bearing, 30-days	Unsecured, no impairment
2023				
Thermax Limited				
Marketing and Sales Support Services (Note 5)	**₽ 9,854,658**	**₽ 5,357,746**	Non-interest bearing, 30-days	Unsecured, no impairment
PT Thermax International Indonesia				
Marketing and Sales Support Services (Note 5)	**3,928,081**	**3,128,021**	Non-interest bearing, 30-days	Unsecured, no impairment
Thermax Onsite Energy Solutions Limited				
Marketing and Sales Support Services (Note 5)	**3,274,750**	**3,546,664**	Non-interest bearing, 30-days	Unsecured, no impairment

The Company has raised sales invoices with Thermax Limited, PT Thermax International Indonesia, and Thermax Onsite Energy Solutions Limited for the provisioning of marketing and sales support services. The Company billed its affiliates at operating expenses plus mark-up rate of 10% (effective October 2023) and 6% for the years ended March 31, 2024 and 2023, respectively.

Key management personnel compensation

The key management personnel compensation includes salaries, social contribution, de minimis and bonuses for the years ended March 31, 2024 and 2023 and amounted to nil as the Company's accounting and administrative functions are handled by the Parent Company.

11. Share Capital

The Company's share capital as at March 31, 2024 and 2023 consists of::

	Number of shares	In Philippine Peso
Authorized capital stock		
₽100 par value per share	900,000	₽ 90,000,000
Subscribed capital stock		
₽100 par value per share	490,000	₽ 49,000,000
Paid up capital		
₽100 par value per share	490,000	₽ 49,000,000

The Company has one (1) shareholder owning one hundred (100) or more shares as at March 31, 2024 and 2023.

12. Revenue

	2024	2023
Service income		
Related parties (Note 10)	**₽ 16,904,003**	₽ 17,057,489

13. Other Income

	2024	2023
Unrealized gain on foreign exchange - net	**₽ 709,503**	₽ 1,289,738
Realized gain on foreign exchange	**672,600**	767,288
Interest income (Note 4)	**184,867**	17,250
	₽ 1,566,970	₽ 2,074,276

14. Cost of Services

	2024	2023
Payroll and other related expenses	**₽ 3,199,671**	₽ 4,711,737
Rent (Note 16)	**2,199,160**	1,591,510
Transportation and travel	**2,137,167**	2,113,422
Fringe benefit	**1,870,016**	478,174
Vehicle rental	**1,215,759**	2,018,347
Fringe benefit tax	**1,006,931**	257,478
Communication	**100,146**	144,462
Printing and office supplies	**24,491**	81,363
Courier	**10,377**	9,170
Others	**304,909**	87,560
	₽ 12,068,627	₽ 11,493,223

15. Operating Expenses

	2023	2022
Professional fees	**₽ 2,349,331**	₽ 1,329,260
Advertising	**711,286**	–
Taxes and licenses	**169,620**	80,766
Insurance	**144,168**	99,787
Bank charges	**23,451**	33,412
Repairs and Maintenance	**9,948**	23,364
Asset write-off (Note 6)	**7,699**	2,363,108
Recruitment fees	**–**	671,750
Bad debts expense (Note 5)	**–**	129,655
Others	**529,229**	727,793
	₽ 3,944,732	₽ 5,458,895

16. Lease Agreements

The Company entered in operating lease agreements as follows:

a. Lease of condominium located at Unit 3205 Tivoli Garden Residences, Coronado St. Brgy. Hulo, Mandaluyong City for a period of one (1) year from March 15, 2023 to March 14, 2024 with a monthly rent of ₽ 70,000 exclusive of VAT.

b. Lease of office space located at Level 40, PBCom Tower, 6795 Ayala Avenue corner V.A. Rufino Street, Makati City, Philippines for a period of one (1) year from March 1, 2020 to February 28, 2021 with a monthly rent of ₽ 138,730 exclusive of VAT. Upon execution of contract, the lessee shall pay in two (2) months service retainer. Subsequently, the contract was renewed but with a decrease in office space for a period of (1) year from March 1, 2021 to February 28, 2022 with a monthly rent of ₽ 94,790 exclusive of VAT. The contract was renewed subsequently for a period of (1) year from March 1, 2022 to February 28, 2023 with a monthly rent of ₽ 99,530 exclusive of VAT. The contract was renewed subsequently for a period of (6) months from March 1, 2023 to August 31, 2023 with a monthly rent of ₽ 111,680 exclusive of VAT. The security deposit was carried forward from the previous contract. As at March 31, 2022, there was an advance rent payment amounting to ₽ 111,680. The contract was renewed for six (6) months from September 1, 2023 to February 29, 2024 with a monthly rent of ₽ 118,380 exclusive of VAT. The contract was renewed subsequently for twelve (12) months from March 1, 2024 to February 29, 2025 with a monthly rent of ₽118,380 exclusive of VAT. As at March 31, 2024 there was an advance rent payment amounting to ₽ 118,380.

Rent expense amounted to ₽ 2,199,160 and ₽ 1,591,510 for the years ended March 31, 2024 and 2023, respectively (Note 14).

The future minimum lease payments (excluding taxes, etc.) are as follows:

	2024	2023
Less than one year	**₽ 1,420,560**	₽ 1,398,400
Between 1 to 5 years	–	–
	₽ 1,420,560	₽ 1,398,400

17. Foreign-Currency Denominated Assets

	2024	2023
Current assets		
Cash and cash equivalents	**$274,259**	$72,453
Trade receivables	**331,318**	221,347
	605,577	293,800
Year-end exchange rate	**56.24**	54.36
Peso equivalent	**₽34,057,650**	₽ 15,970,968

Foreign exchange gain (loss) charged to operations is as follows:

	2024	2023
Unrealized foreign exchange gain		
Cash and cash equivalents	**(₽418,685)**	₽1,003,680
Trade receivables	**1,128,188**	286,058
Realized foreign exchange gain - net	**290,817**	39,495
	₽1,000,320	₽1,265,139

18. Income Taxes

	2024	2023
Current	**₽599,027**	₽351,841
Deferred	**(116,047)**	80,638
	₽482,980	₽432,479

Current income tax

The current income tax expense for the years ended March 31, 2024 and 2023 pertains to normal income tax.

Deferred income tax and liabilities

The Company's deferred tax liabilities as of March 31, 2024 and 2023 pertaining to net unrealized foreign exchange gains of ₽141,901 and ₽257,948, respectively.

The Company has no NOLCO as at March 31, 2024 and 2023.

The reconciliation between the tax computed at statutory income tax rates to provision for income tax follows:

	2024	2024
Income at statutory income tax rate at 20%	**₽ 491,523**	₽ 435,929
Tax effects of:		
Interest income subjected to final tax	**(36,973)**	(3,450)
Nondeductible expenses	**28,430**	–
Provision for income tax	**₽ 482,980**	₽ 432,479

19. Supplementary Tax Information under Revenue Regulations (RR) Nos. 15-2010 and 34-2020

RR No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 prescribing the manner of compliance in connection with the preparation and submission of financial statements accompanying the tax returns. It includes provisions for additional disclosure requirements in the notes to the financial statements, particularly on taxes, duties and licenses paid or accrued during the year.

In compliance with the requirements set forth by RR No. 15-2010 hereunder are the information on related taxes during the taxable year.

Value added tax (VAT)

The Company's VAT payable is computed as follows:

Sales of services	₽ 12,051,791
Zero-rated sales/receipts	–
Total gross receipts	12,051,791
Less: Zero-rated sales/receipts	–
Total VATable gross receipts	12,051,791
Multiply by: Tax rate	12%
Total output VAT for the year	1,446,215
Current year's purchases	
Domestic purchases of goods other than capital goods	147,357
Domestic services	5,233,537
Total VATable purchases	5,380,895
Multiply by: Tax rate	12%
Total input for the year	645,707
Add: Previous year's excess input VAT	
Total allowable input VAT	645,707
Output VAT declared for the year	1,446,215
Output VAT payable	1,446,215
Less: Total Input VAT at the end of the year	645,707
VAT payable for the year	800,508
Less: VAT payments for the current year	895,941
Net output VAT payable/(excess)	(₽ 95,433)

Landed cost, customs duties and tariffs

The Company has no transactions which are subject to the determination of actual landed cost as the basis of computation and payment of customs duties and tariffs.

Excise taxes

The Company has no transactions that are subject to excise tax

Documentary stamp taxes

The Company has no transactions that are subject to documentary stamp tax.

Other taxes, local and national

This account consists of taxes and licenses paid and accrued are as follows:

Business permit and clearance	₽ 148,907
Documentary stamp	10,324
Others	10,389
	₽ 169,620

Withholding taxes

i. Withholding tax on compensation

Total withholding tax payable for the year	₽ 255,501
Less: Payments made from April 2023 to February 2024	234,048
Withholding tax still due and payable	₽ 21,453

ii. Fringe benefits tax

Total fringe benefit tax payable for the year	₽ 2,091,877
Less: Payments made from April 2023 to February 2024	1,754,075
Fringe benefit tax still due and payable	₽ 337,802

iii. Expanded withholding tax

Total withholding tax payable for the year	₽ 302,981
Less: Payments made from April 2023 to February 2024	256,832
Withholding tax still due and payable	₽ 46,149

iv. *Final withholding tax*

The Company has no transactions subject to final withholding tax.

Tax assessment

The Company has not received any tax assessments from the BIR.

Tax cases

The Company has no outstanding cases which are under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.

RR-No. 34-2020

On December 18, 2020, the BIR issued RR No. 34-2020 which prescribes the guidelines and procedures for the submission of BIR form 1709, Transfer Pricing Documentation (RPD) and other supporting documents. This regulation is issued to allow the BIR to verify that taxpayers are reporting their related party transactions at arm's length prices.

Under this RR, Companies that will fall under the following criteria will be required to file and submit BIR Form 1709 or Information Return on Related Party Transaction (RPT Form):

(a) Large taxpayers;

(b) Taxpayers enjoying tax incentives, i.e. Board Of Investments (BOI)-registered and the economic zone enterprises, those enjoying Income Tax Holiday (ITH) or subject to preferential income tax rate;

(c) Taxpayers reporting net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years; and

(d) A related party, as defined under Section 3 of RR No. 19- 2020, which has transactions with (a), (b) or (c). For this purpose, key management personnel (KMP), as defined under Section 3(7) of RR No. 19-2020, shall no longer be required to file and submit Related Party Transaction (RPT) Form, nor shall there be any requirement to report any transaction between KMP and the reporting entity/parent company of the latter in the RPT Form.

Since the Company does not fall in any categories as mentioned above, it will not be required to file and submit BIR form 1709 for the year ended March 31, 2024.

THERMAX NIGERIA LIMITED

Board of Directors
Rabindranath Pillai
Sandeep Mandke

Corporate Office
Landmark Towers
5B Water Corporation Road
Victoria Island
Lagos

Independent Auditors
PricewaterhouseCoopers
Chartered Accountants
Landmark Towers
5B Water Corporation Road
Victoria Island, Lagos

Company Secretary
Tinubu Associates Unlimited
Lagos Office, ADOL House, 15 CIPM Avenue
CBD, Alausa, Ikeja,
Lagos, Nigeria

Bankers
Citi Bank Nigeria Limited
27 Kofo Abayomi Street
Victoria Island
Lagos

Report of the directors

The directors of Thermax Nigeria Limited ("the Company") submit their report on the affairs of the Company together with the audited financial statements which have been prepared in line with the International Financial Reporting Standards (IFRS) and the report of the auditors for the year ended 31 March 2024.

Incorporation and address

Thermax Nigeria Limited was incorporated in Nigeria under the Companies and Allied Matters Act as a private company and is domiciled in Nigeria. The address of its registered office is:

Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos.

Principal activities

Thermax Nigeria Limited was incorporated on 5 October 2015 to carry on the business of designing, manufacturing, supply, erection and commissioning, supervision, operation and maintenance of industrial equipment such as boilers, heaters, water and waste water treatment plants, air pollution control equipment, absorption chillers, geothermal plants, solar based systems and power plants etc.

Operating results and dividends

The Company's results for the year ended 31 March 2024 are set out on page 9. The total comprehensive income for the year has been transferred to retained earnings. The summarised results are presented below.

	31 March 2024	31 March 2023
	N'000	N'000
Revenue	**2,741,226**	1,401,147
Profit before tax	**2,721,419**	589,519
Income tax expense	**(893,203)**	(192,836)
Profit after tax	**1,828,216**	396,683

The directors do not propose dividend payment in respect of the year ended 31 March 2024 (2023: Nil).

Directors

The directors who held office during the year and to the date of this report are given below.

Rabindranath Pillai

Sandeep Mandke

Directors' shareholding

None of the directors have any interest in the shares of the company as at 31 March 2024 (2023: Nil). According to the register of members as at 31 March 2024, the following are the shareholders of Thermax Nigeria Limited.

	Number of shares held at 31 March 2024			
	Shareholding (units)	Percentage	Shareholding (units)	Percentage
Thermax International Limited, Mauritius	49,999,800	99.9996%	49,999,800	99.9996%
Thermax Engineering Singapore PTE Limited	200	0.0004%	200	0.0004%
	50,000,000	100%	50,000,000	100%

Directors' interests in contracts

None of the directors has notified the Company for the purpose of section 303(1) and (3) of the Companies and Allied Matters Act,2020 of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

Events after the reporting date

Information relating to events after the reporting date is disclosed in note 17 of these financials statements.

Employee health, safety and welfare

(a) *Health, Safety and Welfare at work*

The Company places high premium on the health, safety and welfare of its employees in their place of work. In order to protect other persons against risks to health and safety hazards arising out of or in connection with the activities of employees at work, the Company has adopted comprehensive safety policies and procedures and reviews safety facilities on a regular basis.

(b) *Employee consultation and training*

The Company places considerable value of the involvement of its employees in its affairs and has continued its practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. It also ensures that employees receive on the job training complemented when and where necessary with additional facilities from educational institutions or other training institutions.

(c) *Employment of physically challenged persons*

Applications for employment by physically challenged persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. It is the policy of the Company that the training, career development and promotion of physically challenged employees should, as far as possible, be identical with that of other employees. There are no physically challenged persons in its employment during the year (2023: Nil).

Donations and gifts

The Company did not make any donations or gifts to any charitable organisations, political association or for any other purpose in the course of the year under review (2023: Nil).

Auditors

Messrs. PricewaterhouseCoopers, independent auditors, having indicated their willingness will continue as the Company's auditors in accordance with Section 401 of the Companies and Allied Matters Act (CAMA 2020).

Tinubu Associates Unlimited
Company Secretary, Lagos, Nigeria

Date: 8th May 2024

Statement of directors' responsibilities

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include:

a) ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act;

b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and

c) preparing the company's financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Rabindranath Pillai	Sandeep Mandke
8th May 2024	8th May 2024

Statement of corporate responsibilities over financial reporting

Pursuant to Section 405 of the Companies and Allied Matters Act, 2020, we confirm that we have reviewed the audited financial statements of Thermax Nigeria Limited for the year ended 31 March 2024.

We acknowledge our responsibility for establishing and maintaining internal controls within Thermax Nigeria Limited and have designed such internal controls to ensure that material information relating to the Company is made known to us by other officers of the Company, particularly during the period in which the audited financial statements were prepared.

We have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date on our audited financial statements, and certify that the Company's internal controls are effective as of that date.

We also confirm that the Company's auditors have been informed about the following:

(i) There are no significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's Auditors any material weaknesses in internal controls, and

(ii) whether or not, that there are no fraud that involves management or other employees who have a significant role in the company's internal control;

During the year, there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

We hereby certify that based on our knowledge, the financial statements do not contain any untrue statement of material fact or material omission that may make the financial statements misleading and the financial statements fairly presents in all material respects the financial condition and results of operations of the Company for the year ended 31 March 2024.

Rabindranath Pillai	Sandeep Mandke
8th May 2024	8th May 2024

Independent auditor's report

To the Members of Thermax Nigeria Limited

Report on the audit of the financial statements

Our opinion

In our opinion, Thermax Nigeria Limited's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Thermax Nigeria Limited's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year then ended 31 March 2024;
- the statement of financial position as at 31 March 2024;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the Corporate information, Report of the directors, Statement of directors' responsibilities, Statement of corporate responsibilities over financial reporting, Statement of value added and Five-year financial summary, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the 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 the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standard and the requirements of the Companies and Allied Matters Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

Date: 13 June 2024
Engagement Partner: Yinka Yusuf
FRC/2013/PRO/ICAN/00000005161

Statement of Profit or Loss and Other Comprehensive Income

	NOTE	31 March 2024		31 March 2023	
		NGN'000	Rs. Lacs	NGN'000	Rs. Lacs
Revenue	5	**2,741,226**	**1,741.19**	1,401,147	2,503.59
Operating expenses	6	**(1,694,981)**	**(1,076.63)**	(819,166)	(1,463.70)
Other income	7	**1,675,174**	**1,064.05**	7,538	13.47
Operating profit		**2,721,419**	**1,728.61**	589,519	1,053.36
Profit before tax		**2,721,419**	**1,728.61**	589,519	1,053.36
Taxation	8	**(893,203)**	**(567.35)**	(192,836)	(344.56)
Profit after tax		**1,828,216**	**1,161.26**	396,683	708.80
Other comprehensive income		**-**	**-**	-	-
Total comprehensive income		**1,828,216**	**1,161.26**	396,683	708.80
Earnings per share (Naira)		**36.56**	**0.02**	7.93	0.01

The notes on pages 13 to 27 are an integral part of these financial statements.

Exchange rate : as at 31 March 2024 is 1 INR = NGN 0.063

Exchange rate : as at 31 March 2023 is 1 INR = NGN 0.178

Statement of Financial Position

	NOTE	As at 31 March 2024		As at 31 March 2023	
		NGN'000	Rs. Lacs	NGN'000	Rs. Lacs
ASSETS					
Non-current assets					
Deferred tax assets	8	**-**	**-**	23,575	42.12
Property, plant and equipment	9	**208**	**0.13**	-	-
		208	**0.13**	23,575	42.12
Current assets					
Trade and other receivables	10	**2,537,914**	**1,612.05**	827,951	1,479.40
Cash and cash equivalents	11	**990,450**	**629.12**	382,978	684.31
Total current assets		**3,528,364**	**2,241.17**	1,210,929	2,163.71
Total assets		**3,528,572**	**2,241.30**	1,234,504	2,205.83
LIABILITIES					
Current liabilities					
Trade payables		**42,948**	**27.28**	346,850	619.76
Accruals, provisions and other liabilities	12	**325,984**	**207.06**	209,366	374.10
Current tax liabilities	8	**654,797**	**415.92**	216,494	386.84
Total current liabilities		**1,023,729**	**650.26**	772,710	1,380.69
Non-current liabilities					
Deferred tax Liabilities	8	**214,832**	**136.46**	-	-
Total liabilities		**1,238,561**	**786.72**	772,710	1,380.69
EQUITY					
Share capital and share premium	4	**50,000**	**31.76**	50,000	89.34
Retained earnings		**2,240,011**	**1,422.82**	411,794	735.80
Total equity		**2,290,011**	**1,454.58**	461,794	825.14
Total equity and liabilities		**3,528,572**	**2,241.30**	1,234,504	2,205.83

The financial statements and other national disclosures on pages 9 to 29 were approved and authorised for issue by the Board of Directors on 8th May 2024 and were signed on its behalf by:

Rabindranath Pillai
Director

Sandeep Mandke
Director

The notes on pages 13 to 27 are an integral part of these financial statements.

THERMAX NIGERIA LIMITED

Statement of Changes in Equity

	Attributable to equity holders of the Company					
	Share capital		Retained earnings		Total	
	NGN'000	Rs. Lacs	NGN'000	Rs. Lacs	NGN'000	Rs. Lacs
Balance at 1 April 2022	50,000	31.76	15,113	9.60	65,113	41.36
Profit for the year	-	-	396,682	251.97	396,682	251.97
Balance at 31 March 2023	50,000	31.76	411,795	261.57	461,795	293.33
Balance at 1 April 2023	**50,000**	**31.76**	**411,795**	**261.57**	**461,795**	**293.33**
Profit for the year	**-**	**-**	**1,828,216**	**1,161.26**	**1,828,216**	**1,161.26**
Balance at 31 March 2024	**50,000**	**31.76**	**2,240,011**	**1,422.83**	**2,290,011**	**1,454.58**

The notes on pages 13 to 27 are an integral part of these financial statements.

Statement of cash flows

		31 March 2024		31 March 2023	
		NGN'000	Rs. Lacs	NGN'000	Rs. Lacs
Cash flows from operating activities					
Profit on ordinary activities before taxation		**2,721,419**	**1,728.61**	589,519	1,053.36
Add: Depreciation charge to P&L		**45**	**0.03**	-	-
		2,721,464	**1,728.64**	589,519	1,053.36
Changes in working capital:					
Changes in trade and other receivable	10	**(1,709,962)**	**(1,086.15)**	(793,579)	(1,417.98)
Changes in trade payables		**(303,902)**	**(193.03)**	344,758	616.02
Changes in accruals, provisions and other liabilities	12	**116,618**	**74.07**	203,591	363.78
Income tax paid	8	**(216,493)**	**(137.51)**	(3,343)	(5.97)
Net cash flow generated from operating activities		**607,725**	**386.02**	340,946	609.21
Cash flow from financing activities		**-**	**-**	-	-
Cash flow used in investing activities	9	**(253)**	**(0.16)**	-	-
Net increase in cash and cash equivalents		**607,472**	**385.86**	340,946	609.21
Cash and cash equivalents at the beginning of the year		**382,978**	**243.26**	42,032	75.10
Cash and cash equivalents at the end of the year		**990,450**	**629.12**	382,978	684.31

The notes on pages 13 to 27 are an integral part of these financial statements

Annual report and financial statements

For the year ended 31 March 2024

Notes to the financial statements

1 General information

Thermax Nigeria Limited was incorporated in Nigeria as a private limited liability Company in 2015. The Company is domiciled in Nigeria and the address of its registered office is:

Plot 5B, Landmark Towers, Water Corporation Road, Victoria Island, Lagos, Nigeria

Thermax Nigeria Limited was incorporated on 5 October 2015 to carry on the business of designing, manufacturing, supply, erection and commissioning, supervision, operation and maintenance of industrial equipment such as boilers, heaters, water and waste water treatment plants, air pollution control equipment, absorption chillers, geothermal plants, solar based systems and power plants etc.

2 Summary of material accounting policies

2.1 Introduction to summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements of Thermax Nigeria Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.2.

2.2.1 Changes in accounting policies and disclosures

i) New standards, amendments, interpretations adopted by the Company

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations.

a IAS 8 Amendments on Accounting Estimates (Effective 1 April 2023)

On 12 February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 April 2023.

b Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. 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.

c Amendment to IAS 12 deferred tax related to assets and liabilities arising from a single transaction

These amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

ii) New standards, amendments, interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the Company. The Company does not expect the new accounting standards and interpretations to have a material impact on its current or future reporting periods. Details of these new standards and interpretations are set out below:

a Amendment to IAS 1 Non-current liabilities with covenants - Disclosure of Accounting Policies (effective for reporting periods beginning on or after 1 January 2024)

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

b Amendment to IFRS 16 Leases on sale and leaseback (effective for reporting periods beginning on or after 1 January 2024)

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

c Amendment to IAS 7 and IFRS 7 - Supplier finance (effective for reporting periods beginning on or after 1 January 2024)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities ,cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies supplier finance arrangements are not sufficiently visible, hindering investor's analysis.

d Amendments to IAS 21 - Lack of Exchangeability (effective for reporting periods beginning on or after 1 January 2024)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods or services stated net of value added taxes (VAT). Sale of services are recognised in the period in which the costs incurred in providing the services are recognised.

A valid contract is recognised as revenue after:

- The contract is approved by the parties.

- Rights and obligations are recognised.

- Collectability is probable.

- The contract has commercial substance.

- The payment terms and consideration are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Company is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Revenue represents the value of compensation earned for provision of marketing and sales support services to third-parties in Nigeria on behalf of Thermax Limited. It is recognised in the period in which the Company delivers the related services, and collectability of the related receivables is reasonably assured.

It also represents the value of compensation earned by providing Operation and Maintenance services in Nigeria. It is recognised in the period in which the Company delivers the related services, and collectability of the related receivables is reasonably assured.

2.4 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

2.5 Current and deferred taxation

2.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates at the balance sheet date. Education tax is assessed at 2% of the assessable profits determined in accordance with the Education Tax Act.

The Company is subject to the Finance Act as enacted, which amends the Company Income Tax Act (CITA). Total amount of tax payable under this is determined based on the higher of two components; Company Income Tax Act on taxable income (or loss) for the year, and minimum tax (determined based on 0.5% of qualifying Company's turnover less franked investment income). Taxes based on taxable profit are treated as income tax in line with IAS 12, whereas minimum tax based on gross amount is outside the scope of IAS 12 and therefore not presented as tax expense in the statement of profit or loss.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

2.5.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.6 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as National Pension Commission on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

2.7 Trade, other receivables and assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. The normal credit term is 7-90 days upon delivery. The Company has applied the simplified approach for trade and other receivables upon the adoption of IFRS 9 and follows an Expected Credit Losses ('ECLs') approach for measuring the allowance of its trade receivables. The expected loss rate is assessed on the basis of historical credit losses of 36 months before 31 March 2024 and adjusted to reflect current and forward-looking information. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The carrying amount of the receivable is reduced by the amount of the provision, which is recognised as part of operating expenses.

If a trade receivable ultimately becomes uncollectible, it is written off initially against any provision made in respect of that receivable with any excess recognised as part of operating expenses. Subsequent recoveries of amounts previously written off or provisions no longer required are credited against operating expenses. Loans are initially recognised at the fair value net of transaction costs incurred. After initial recognition, all interest-bearing loans are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method whereby any discount, premium or transaction costs associated with a loan are amortised to the income statement over the borrowing period.

2.8 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include deposits with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.9 Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.10 Provisions

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.

Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset only when such reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.11 Financial assets and liabilities

Financial assets and liabilities (i.e. financial instruments) are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and Thermax Nigeria Limited has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.11.1 Classification

Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within twelve months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. Thermax's loans and receivables comprise trade, employee advances and other receivables in the statement of financial position.

(iii) Financial liabilities at amortized cost

Financial liabilities at amortized cost include trade payables, bank debt and other long-term debts

2.11.2 Recognition and measurement

(i) Financial assets and liabilities at fair value through profit or loss

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the income statement. Gains and losses arising from changes in fair value are presented in the statement of income within "other gains and losses (net)" in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which are classified as long-term.

(ii) Loans and receivables

Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Transaction costs are added to the fair value of the financial asset on initial recognition. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

2.12 Offsetting financial assets and financial liabilities

The Company offsets financial assets and financial liabilities to the net amount reported in the balance sheet when it currently has a legally enforceable right to offset the recognised amounts and it intends to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital accounts.

2.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year multiplied by a time-weighting factor. Diluted earnings per share incorporates potentially diluted shares at the statement of financial position date.

2.16 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Nigerian Naira, rounded to the nearest thousand, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions, and from translation of monetary assets and liabilities denominated in currencies other than the entity's functional currency at year end exchange rates, are recognized in the income statement.

2.17 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

2.18 Property, Plant & Equipment

Property and equipment are stated at historical cost less depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent 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 de-recognised. All other repairs and maintenance are charged to the statement of profit or loss in during the financial period in which they are incurred. Details of Property, Plant & Equipment purchased can be referred in note no. 9.

2.19 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed herein.

Income taxes

The company is subject to income taxes only within the Nigerian tax authority which does not require much judgment in terms of provision for income taxes but a certain level of judgment is required for recognition of the deferred tax assets. Management is required to assess the ability of the company to generate future taxable economic earnings.

Taxes are paid by company under a number of different regulations and laws, which are subject to varying interpretations. In this environment, it is possible for the tax authorities to review transactions and activities that have not been reviewed in the past and scrutinize these in greater detail, with additional taxes being assessed based on new interpretations of the applicable tax law and regulations. Accordingly, management's interpretation of the applicable tax law and regulations as applied to the transactions and activities of the Company may be challenged by the relevant taxation authorities. The Company's management believes that its interpretation of the relevant tax law and regulations is appropriate and that the tax position included in these financial statements will be sustained.

3 Financial risk management

The Company's activities expose it to financial risk - credit risk, liquidity risk and market risk. Risk management is carried out by management, management identifies and evaluates the financial risks in co-operation with the Company's operating units and; provides written principles for overall risk management, as well as written policies covering specific areas. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

3.1 Credit risk management

Credit risk is the risk that financial loss arises from the failure of a counterparty to meet its obligations under a contract. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The balances exposed to credit risk are as disclosed below:

	31 March 2024	31 March 2023
	N'000	N'000
Amounts due from related parties (note 9)	**114,107**	75,336
Trade & Other receivables (note 9)	**2,403,352**	655,466
Other current assets (note 9)*	**80,309**	70,690
Cash and cash equivalents (note 10)	**990,450**	382,978
Financial assets bearing credit risk	**3,588,218**	1,184,470

*Other receivables include unbilled revenue and staff receivables but excludes prepayments and withholding tax/VAT recoverable as these are non-financial assets.

Impairment of financial assets

The Company's financial assets that are subject to IFRS 9's new expected credit loss model are as follows:

- Trade Receivables

- Amount due from related parties and;

- Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, there is no identified impairment loss.

Amounts due from related parties

"Trade receivables represent fee income due from related parties for the provision of services in the ordinary course of business. Credit terms for related entities are determined on individual basis and the Company does not require collateral in respect of intercompany receivables.

The Company has applied a general approach in computing the Expected Credit Loss (ECL) for intercompany receivables. The company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including audited financial statements, cashflow projections), applying experienced judgement and historical default rates. Lifetime probabilities of default are determined based on available data which reflects the loss rate of the related party.

Intercompany receivables and payables are offset and the net amount presented in the Statement of Financial Position when, and only when the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously."

The credit risk associated with receivables due from related parties are considered minimal and no impairment has been recognised in respect of the balances at year end (2023: Nil).

	31 March 2024	31 March 2023
	N'000	N'000
Gross carrying amount as at 1 April	**75,336**	22,354
Additions during the year	**306,063**	140,843
Receipts for the year	**(267,292)**	(87,861)
Gross carrying amount as at 31 March	**114,107**	75,336

The expected loss rates as on 31-03-2024 are as follows:

	Current (not past due) Qualitative Provision	**Current (not past due)**	**More than 12 months past due**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Gross carrying amount	**2,627,575**	**114,107**	**81,360**	**2,823,042**
Unbilled Revenue	**(305,583)**	**-**	**-**	**(305,583)**
Net Gross Carrying amount*	**2,321,992**	**114,107**	**81,360**	**2,517,459**
Default rate	**10%**	**-**	**100%**	**-**
Lifetime ECL on gross amount	**(262,758)**	**-**	**(81,360)**	**(344,118)**
Net trade receivables	**2,059,234**	**114,107**	**-**	**2,173,341**

The expected loss rates as on 31-03-2023 are as follows:

	Current (not past due) Qualitative Provision	Current (not past due)	More than 12 months past due	Total
	N'000	N'000	N'000	N'000
Gross carrying amount	765,804	75,766	-	841,570
Unbilled Revenue	(110,768)	-	-	(110,768)
Net Gross Carrying amount*	655,036	75,766	-	730,802
Default rate	10%	-	-	10%
Lifetime ECL on gross amount	(76,580)	-	-	(76,580)
Net trade receivables	578,456	75,766	-	654,222

	31 March 2024 N'000	31 March 2023 N'000
Gross carrying amount as at 1 April	**730,802**	27,701
Opening balance exchange difference	**(692)**	-
Additions during the year	**2,545,334**	1,384,981
Receipts for the year	**(1,446,064)**	(682,572)
Closing balance exchange difference	**688,079**	692
*Net Gross carrying amount as at 31 March	**2,517,459**	730,802
Lifetime ECL	**(344,118)**	(76,580)
Net Carrying amount as on 31 March	**2,173,341**	654,222

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates and the credit policy of the Enterprise.

Fitch ratings of cash and bank balances are:

	31 March 2024 N'000	31 March 2023 N'000
B+	**990,450**	382,978

'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. This is based on Fitch national long-term rating.

3.2 Liquidity risk

3.2.1 Management of liquidity risk

Cash flow forecasting is performed by the finance department. The finance department monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its borrowing facilities.

The Company evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Company devises strategies to manage its liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available through an adequate amount of committed credit facilities. The Company has no limitation placed on its borrowing capability.

The table below analyses the Company's financial liabilities into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2024

	Less than 3 months	**Between 3 months and 1 year**	**Over 1 year**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Trade payables	**42,948**	**-**	**-**	**42,948**
Accruals, provisions and other liabilities	**325,594**	**-**	**390**	**325,984**
	368,542	**-**	**390**	**368,932**

At 31 March 2023

	Less than 3 months	Between 3 months and 1 year	Over 1 year	Total
	N'000	N'000	N'000	N'000
Trade payables	346,850	-	-	346,850
Accruals, provisions and other liabilities	208,976	-	390	209,366
	555,826	-	390	556,216

3.3 Market risk

3.3.1 Management of market risk

Market risk is the risk of change in the fair value of financial instruments due to changes in interest rates and foreign exchange rates.

(i) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. The Company's exposure to interest rate risk relates primarily to a long term borrowing from banks. There are no borrowings as the end of the year (2023: Nil).

(ii) *Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from commercial transactions. There are account receivable balances exposed to exchange risk at the end of the year N2,517.459m (2023: N730.371m).

Sensitivity

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. There are foreign denominated balances that are exposed to fluctuations in foreign exchange rates.

The sensitivity of the Company's earnings to fluctuations in exchange rates is reflected by varying the exchange rates as shown below:

	31 March 2024 N'000	31 March 2023 N'000
Impact on account receivable balance		
Increase in US Dollars exchange rate against NGN +20%	**503,492**	146,074
Decrease in US Dollars exchange rate against NGN -20%	**(503,492)**	(146,074)

(iii) *Price risk*

Price risk is the risk that prices of internationally traded commodities or equity prices will change. The Company does not trade in quoted securities and commodities.

3.4 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. However, the Company does not currently have any borrowings.

Fair value hierarchy

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. A description of the fair value hierarchy is detailed below:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All the Company's financial assets and liabilities are measured at amortized cost. The fair values are within level 2 of the fair value hierarchy.

Financial instruments by category

Financial assets and liabilities have been classified into categories that determine their basis of measurement and for items measured at fair value.

(i) Financial assets classified as loans and receivables

The carrying value of the Company's financial assets as at 31 March 2024 is the same as its fair value.

(ii) Financial liabilities carried at amortised cost

The carrying value of the Company's financial liabilities as at 31 March 2024 is the same as its fair value.

4 Share capital

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	31 March 2024 N'000	31 March 2023 N'000
Authorised and issued		
50,000,000 ordinary shares of N1 each	**50,000**	50,000
Paid-up Capital:		
50,000,000 ordinary shares of N1 each	**50,000**	50,000

Details for the Company's shares is as follows:

The Company has allotted shares of 50,000,000 at N1 each of which N49,999,800 are currently allotted to Thermax International Limited and same has been fully paid. N200 worth of shares are held and have been fully paid for by Thermax Engineering Singapore PTE Limited.

5 Revenue

The Company derives revenue from the transfer of services at a point in time in the following major product lines:

	31 March 2024 N'000	31 March 2023 N'000
Fee income	**306,062**	140,843
Technical services	**35,115**	9,260
Supply of Manpower for Operation and Maintenance activities	**2,400,049**	1,251,044
	2,741,226	1,401,147

Thermax Nigeria has entered agreement with Thermax Limited for marketing and sales support services. Based on agreement company has raised revenue invoices on Thermax Limited by applying 6% & 5% of mark up on operating expenses. The fee income has been determined as follow:

	31 March 2024 N'000	31 March 2023 N'000
Operating expenses	**117,239**	132,871
Add : Mark-up of 6%	**7,034**	7,972
	124,273	140,843
Operating expenses	**173,132**	-
Add : Mark-up of 5%	**8,657**	-
	181,789	-

There was no assets or liabilities related to contracts with customers as at reporting date (2023: Nil). See note 2.3 for detailed accounting policy related to revenue from contracts with customers.

6 Operating expenses

	31 March 2024 N'000	31 March 2023 N'000
Audit fee	**7,400**	6,787
Professional and secretarial fees	**87,088**	36,176
Employees cost (note 13)	**822,280**	380,664
Site Expenses & Contract Labor	**219,150**	139,133
Food Expenses	**44,389**	25,463
Traveling and conveyance	**325,544**	133,792
Rent	**9,978**	-
Communication	**1,790**	971
Medical reimbursable expense	**991**	551
Vehicle repair and maintenance	**343**	162
Medical insurance	**3,943**	1,864
Miscellaneous expenses*	**8,620**	15,771
Others expenses	**12,572**	1,239
Depreciation Expenses	**45**	-
Provision for bad debt	**150,848**	76,593
	1,694,981	819,166

*Miscellaneous expenses include expenses related to quarantine charges & medical test expenses following the Covid19 pandemic.

7 Other Income

	31 March 2024 N'000	31 March 2023 N'000
Foreign exchange gain	**1,657,487**	7,476
Other income	**17,687**	62
	1,675,174	7,538

8 Taxation

8.1 Income tax

	31 March 2024 N'000	31 March 2023 N'000
Company income tax	**595,141**	199,814
Education tax	**59,519**	16,651
Deferred tax charge to profit or loss	**238,407**	(23,658)
Police Trust Fund Levy	**136**	29
	893,203	192,836

8.2 Reconciliation of effective tax to statutory tax

The tax on the Company's loss before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	31 March 2024 N'000	31 March 2023 N'000
Profit before tax	**2,721,419**	589,519
Tax calculated at statutory rate @ 30% (2023:30%)	**595,142**	199,814
Tax effects of:		
Education tax	**59,519**	16,651
Police Trust Levy	**136**	29
Prior year adjustment for deferred tax	**(23,575)**	(83)
Deferred Tax charge- current year	**261,981**	(23,575)
Tax losses	**-**	-
Income tax expense	**893,203**	192,836

8.3 Current income tax liability

	31 March 2024 N'000	31 March 2023 N'000
Balance at 1 April	**216,494**	3,343
Charge for the year	**654,797**	216,494
Payment during the year	**(216,494)**	(3,343)
At 31 March	**654,797**	216,494

8.4 Deferred income tax assets/ (liability)

	At 1 April 2023 N'000	Credit/ (charge) to P/L N'000	At 31 March 2024 N'000
Credit to Income Statement	23,575	(238,407)	(214,832)
	23,575	**(238,407)**	**(214,832)**

9 Property, plant and equipment

Office Printer was purchased as Property, Plant & Equipment during the year.

	Asset Purchase N'000	Depreciation charge to P/L N'000	At 31 March 2024 N'000
Office Equipment	253	45	208
	253	**45**	**208**

10 Trade and other receivables

	31 March 2024 N'000	31 March 2023 N'000
Balance due from related parties	**114,107**	75,336
Balance due from others	**2,403,352**	655,466
Total trade receivable	**2,517,459**	730,802
Expected credit loss	**(344,118)**	(76,580)
Net trade receivables	**2,173,341**	654,222
Other receivables		
Advance to employees	**728**	172
Deposit for office rent*	**2,008**	1,505
Unbilled Revenue	**284,263**	103,040
Prepayments	**24,882**	14,455
Receivable from government authorities	**52,692**	54,557
	2,537,914	827,951

* This relates to the expense of short term leases and low value items for which the Company has not recognised a right-of-use asset or lease liabilities.

11 Cash and cash equivalents

	31 March 2024 N'000	31 March 2023 N'000
Cash at bank	**191,660**	382,978
Fixed Deposits	**798,790**	-
	990,450	382,978

12 Accruals, provisions and other liabilities

	31 March 2024 N'000	31 March 2023 N'000
Professional fees payable	**126,797**	52,350
Provision for VAT penalty	**390**	390
WHT liabilities	**15,426**	13,920
Payable to government authorities	**176,348**	41,327
Payable to employees	**5,672**	1,216
Advance Customer Payment	**1,351**	100,113
Payroll related liabilities	**-**	50
	325,984	209,366

13 Employee information

	31 March 2024 N'000	31 March 2023 N'000
Salaries and wages	**793,091**	360,958
Pension cost - Retirement contribution plan	**2,619**	2,563
Education Expenses	**5,001**	2,676
Rent	**21,569**	14,468
	822,280	380,665

Number of persons employed during the year

	2024 Number	2023 Number
Sales and marketing department	**7**	3
Service department	**4**	6

The number of employees with emoluments within the bands stated above are

	2024 Number	2023 Number
N100,000 - N1,000,000	**-**	-
N1,000,001 - N40,000,000	**11**	9
N40,000,001 - N80,000,000	**-**	-

14 Related parties

The company is a wholly owned subsidiary of Thermax International Limited. There are other companies that are related to Thermax Nigeria Limited through common shareholdings or common directorships.

a Sale of goods and services

	Relationship	31 March 2024 N'000	31 March 2023 N'000
Thermax Limited	Parent company	**306,062**	140,843

Marketing and sales support services were provided to Thermax Limited during the year.

b Purchase of goods and services

There were no purchases from related parties during the year (2023: Nil).

c Amount due from related parties

	Relationship	31 March 2024 N'000	31 March 2023 N'000
Thermax Limited	Parent company	**114,107**	75,336

d Amount due to related parties

	Relationship	31 March 2024 N'000	31 March 2023 N'000
Thermax Limited	Parent company	-	343,890

e Key management compensation

Key management personnel of the Company includes the directors. The directors waived their right to receive compensation from the Company during the year (2023: Nil).

15 Contingent liabilities

At the statement of financial position reporting date, there was no pending litigation arising in the ordinary course of business. The Company had no contingent liability as at the time of this report (2023: Nil).

16 Commitments

The Company had no capital commitments as at 31 March 2024 (2023: Nil).

17 Events after reporting period

There were no significant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

Other national disclosures:

Statement of Value Added

	31 March 2024 N'000	%	31 March 2023 N'000	%
Revenue	**2,741,226**		1,401,147	
Other income	**1,675,174**		7,538	
Bought in materials and services	**4,416,400**		1,408,685	
Brought in materials and services:				
Local	**(872,701)**		(438,502)	
Value added	**3,543,699**	**100**	970,183	100
Applied as follows:				
To pay employees:				
Wages, salaries and other benefits	**822,280**	**23%**	380,664	39%
Taxation:				
Tax charge	**893,203**	**25%**	192,836	20%
To provide for enhancement of assets and growth:				
Retained profit for the year	**1,828,216**	**52%**	396,683	41%
Value added	**3,543,699**	**100**	970,183	100

This statement represents the distribution of the wealth created through the use of the company's assets through its own and its employees efforts.

Five-year financial summary

	31 March 2024 N'000	31 March 2023 N'000	31 March 2022 N'000	31 March 2021 N'000	31 March 2020 N'000
Statement of financial position					
Non-current assets	**208**	23,575	-	-	2,851
Current assets	**3,528,364**	1,210,929	76,404	69,018	48,242
Total assets	**3,528,572**	1,234,504	76,404	69,018	51,093
Current liabilities	**1,023,729**	772,710	11,292	11,013	9,532
Non Current liabilities	**214,832**	-	-	-	-
Share capital	**50,000**	50,000	50,000	50,000	50,000
Accumulated loss	**2,240,011**	411,794	15,112	8,005	8,005
Total equity	**3,528,572**	1,234,504	76,404	69,018	67,537

Statement of profit or loss

	31 March 2024 N'000	31 March 2023 N'000	31 March 2022 N'000	31 March 2021 N'000	31 March 2020 N'000
Revenue	**2,741,226**	1,401,147	106,969	80,271	27,014
Operating profit/(loss)	**2,721,419**	589,519	10,534	21,948	(3,771)
Taxation	**(893,203)**	(192,836)	(3,426)	(5,504)	2,851
Profit/(loss) for the year	**1,828,216**	396,683	7,108	16,444	(920)

THERMAX ENERGY & ENVIRONMENT LANKA (PVT) LTD

Board of Directors	***Registered Office***	***Bankers***	***Auditors***
Rabindranath Pillai Bhavesh Chheda	Level 37, West Tower, World Trade Center, Colombo- 01	Citi Bank, N.A.	Emst & Young Chartered Accountants Rotunda Towers No. 109, Galle Road, P.O.Box 101, Colombo 03 Srilanka

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THERMAX ENERGY & ENVIRONMENT LANKA (PVT) LTD

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Thermax Energy & Environment Lanka (Pvt) Ltd ("the Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium Sized Entities (SLFRS for SMEs).

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium Sized Entities (SLFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 SLAuSs 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 financial statements.

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

- identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 financial statements, including the disclosures, and whether the 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.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

06 May 2024

Colombo

THERMAX ENERGY & ENVIRONMENT LANKA (PVT) LTD

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH, 2024

	NOTE	2024		2023	
		LKR	Rs Lacs	LKR	Rs Lacs
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	4	**493,542**	**1.37**	3,094	0.01
Deferred Tax Assets	12	**15,812,768**	**43.89**	-	-
		16,306,310	**45.26**	3,094	0.01
Current Assets					
Inventory-WIP		**598,440,653**	**1,660.90**	-	-
Trade and Other Receivables	5	**396,005,345**	**1,099.06**	15,600,484	39.56
Income Tax Receivable	11	**417,193**	**1.16**	263,713	0.67
Cash and Cash Equivalents	6	**147,380,509**	**409.04**	156,156,428	396.00
		1,142,243,700	**3,170.15**	172,020,625	436.23
Total Assets		**1,158,550,011**	**3,215.41**	172,023,720	436.23
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	7	**1,134,300,000**	**3,148.11**	153,300,000	388.75
Retained Earnings		**(17,885,396)**	**(49.64)**	18,312,810	46.44
Total Equity		**1,116,414,604**	**3,098.47**	171,612,810	435.19
Current Liabilities					
Trade and other payables	8	**42,135,407**	**116.94**	410,910	1.04
Income Tax Payable	11	**-**	**-**	-	-
		42,135,407	**116.94**	410,910	1.04
Total Liabilities		**42,135,407**	**116.94**	410,910	1.04
Total Equity and Liabilities		**1,158,550,011**	**3,215.41**	172,023,720	436.23

I certify that these Financial Statements comply with the requirements of the Companies Act No.7 of 2007.

HUB Head - SAARC

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;

Director Director

The Notes to the Financial Statements from pages 07 to 16 form an integral part of these Financial Statements.

06 May 2024
Colombo

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH, 2024

	NOTE	2024		2023	
		LKR	Rs Lacs	LKR	Rs Lacs
Revenue	9	**21,796,591**	**60.49**	29,551,616	74.94
Other Income		**(48,482,188)**	**(134.56)**	(914,286)	(2.32)
Administrative Expenses		**(27,017,850)**	**(74.98)**	(27,865,123)	(70.66)
Finance Income		**1,692,473**	**4.70**	760,000	1.93
Profit /(loss) before tax		**(52,010,974)**	**(144.35)**	1,532,207	3.89
Income Tax Expense	10	**15,812,768**	**43.89**	(957,816)	(2.43)
Profit/(loss) for the year		**(36,198,206)**	**(100.46)**	574,391	1.46

The Notes to the Financial Statements from pages 07 to 16 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH, 2024

	Stated Capital		Retained Earnings		Total	
	LKR	Rs Lacs	LKR	Rs Lacs	LKR	Rs Lacs
Balance as at 01 April 2022	153,300,000	425.46	17,738,419	49.23	171,038,419	474.70
Profit for the year	-	-	574,391	1.59	574,391	1.59
Balance as at 31 March 2023	153,300,000	425.46	18,312,810	50.82	171,612,810	476.29
Shares issued during the year	981,000,000	2,722.64	-	-	981,000,000	2,722.64
Profit for the year	-	-	(36,198,206)	(100.46)	(36,198,206)	(100.46)
Balance at 31st March 2024	**1,134,300,000**	**3,148.11**	**(17,885,396)**	**(49.64)**	**1,116,414,604**	**3,098.47**

The Notes to the Financial Statements from pages 07 to 16 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH, 2024

	Notes	31 March 2024		31 March 2023	
		LKR	Rs Lacs	LKR	Rs Lacs
Cash Flows from/(used in) Operating Activities					
Profit/(Loss) before Tax		**(52,010,974)**	**(144.35)**	1,532,207	3.89
Adjustments for					
Depreciation and Amortisation	4.2	**24,552**	**0.07**	4,125	0.01
Interest Income		**(1,692,473)**	**(4.70)**	(760,000)	(1.93)
Operating Profit/(Loss) before Working Capital Changes		**(53,678,895)**	**(148.98)**	776,332	1.97
(Increase) / Decrease in Trade and Other Receivables	5	**(380,404,861)**	**(1,055.77)**	(8,454,560)	(21.44)
Increase / (Decrease) in Trade and Other Payables	8	**42,000,682**	**116.57**	(245,743)	(0.62)
(Increase) / Decrease in Inventories		**(598,440,653)**	**(1,660.90)**	-	-
Cash used in Operations		**(990,523,727)**	**(2,749.07)**	(7,923,971)	(20.09)
Income Tax Paid		**(429,666)**	**(1.19)**	(1,229,119)	(3.12)
Net Cash used in Operating Activities		**(990,953,393)**	**(2,750.27)**	(9,153,090)	(23.21)
Cash Flows from/(used in) Investing Activities					
Acquisition of Property, Plant and Equipment	4.1	**(515,000)**	**(1.43)**	-	-
Net Cash used in Investing Activities		**(515,000)**	**(1.43)**	-	-
Cash Flows from/(used in) Financing Activities					
Interest Received		**1,692,473**	**4.70**	760,000	1.93
Shares Issued		**981,000,000**	**2,722.64**	-	-
Net Cash flows from Financing Activities		**982,692,473**	**2,727.34**	760,000	1.93
Net (Decrease)/Increase in Cash and Cash Equivalents		**(8,775,919)**	**(24.36)**	(8,393,090)	(21.28)
Cash and Cash Equivalents at the beginning of the year		**156,156,428**	**433.39**	164,549,518	417.28
Cash and Cash Equivalents at the end of the year	6	**147,380,509**	**409.04**	156,156,428	396.00

The Notes to the Financial Statements from pages 07 to 16 form an integral part of these Financial Statements.

Exchange Rate : As at 31 Mar 24 is 1 LKR = Rs. 0.2775

Exchange Rate : As at 31 Mar 23 is 1 LKR = Rs. 0.2535

THERMAX ENERGY & ENVIRONMENT LANKA (PVT) LTD

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH, 2024

1. CORPORATE INFORMATION

1.1 General

Thermax Energy & Environment Lanka (Pvt) Ltd ("Company") is a limited liability Company incorporated on 08 August 2017 in accordance with Companies Act No 7 of 2007 and domiciled in Sri Lanka. The registered office of the Company is located at Level 37, West Tower, World Trade Center, Colombo 01.

1.2 Principal Activities and Nature of Operations

The Company is primarily involved into marketing & sales support services to Thermax Ltd and finalize order terms with customers and sell its products/industrial equipment such as boilers, heaters, water and waste water treatment plants, air pollution control equipment, chemicals, absorption chillers, geothermal plants, solar based systems & power plants etc., support customers in installation, commissioning of equipment, sell spare parts and provide after-sales & related services to third-party customers in Sri Lanka. Apart from that Company involved in a business of invests, installs, and operates a utility plant in customer premises and undertakes its comprehensive operation & maintenances along with supply chain management of all consumables including biomass fuels.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Thermax Onsite Energy Solution Ltd which is incorporated in India. In the opinion of the directors, the Company's ultimate parent undertaking and controlling party is RDA Holdings Pvt Ltd which is incorporated in India.

1.4 Date of Authorization for Issue

The Financial Statements of Thermax Energy & Environment Lanka (Pvt) Ltd for the period ended 31 March 2024 were authorised for issue in accordance with the resolution of the Board of Directors on 06 May 2024.

2. GENERAL POLICIES

2.1 Statement of Compliance

The financial statements which comprises of the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow together with accounting policies and notes have been prepared in accordance with the Sri Lanka Accounting Standards for Small and Medium-sized Entities issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

2.2 Basis of Preparation

These financial statements have been prepared in accordance with the Sri Lankan Financial Reporting Standard for Small and Medium-sized Entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka.

The functional currency of the company is Sri Lankan Rupees. The financial statements of the company are presented in Sri Lankan Rupees. The financial statements have been prepared on a historical cost basis otherwise indicate.

2.3 Going Concern

The Board has made an assessment of the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future and they do not intend either to liquidate or to cease operations of the Company. Therefore, the financial statements continue to be prepared on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparations of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Foreign Currency Translations

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3.2 Taxation

a) Current Tax

Current income tax assets and liabilities for the current and prior periods 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 by the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the relevant tax legislations.

b) Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognized as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the Balance Sheet.

c) Deferred Taxation

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 liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilized.

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 utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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 assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.3 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand demand deposits readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH, 2024

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

3.4 Inventories

Inventories are measured at the lower of cost and net realisable value. The general basis on which cost is determined is:

Raw Materials	- At purchase cost
Finished Goods and Work-in-Progress	- At the cost of direct materials, direct labour and a relevant proportion of manufacturing overheads based on normal operating capacity

At each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell and an impairment loss is recognized immediately in profit or loss.

3.5 Property, Plant and Equipment

3.5.1 Recognition and measurement

Plant and equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

3.5.2 Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

3.5.3 Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current periods are as follows:

Computer & Software	04 Years
Furniture & Fittings	04 Years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized.

3.6 Provisions

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.

3.7 Defined Benefit Obligations

3.7.1 Defined Contribution Plan

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations in Sri Lanka. The Company contributes 12 % and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

In addition to above, The Company also contributes 8% of gross emoluments of The Country Manager to Employee's Provident Fund.

3.7.2 Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Provision for retirement benefits payable to employee under the Payment of Gratuity Act No.12 of 1983 has not been made in the accounts since the number of employees of the Company not exceeded 15 as at 31st March 2024.

3.8 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.9 Revenue Recognition

Revenue from contracts with customers is recognized 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.

The Company revenue relates to providing marketing & sales support services to Thermax Ltd, India. Revenue from contract is recognized based on the terms in the related contracts and is recognized as the services are performed.

3.9.1 Interest Income

Interest income is recognised in the Statement of Profit or Loss as it accrues and is calculated by using the effective interest rate method.

3.10 Expenses

Expenses are recognized in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income statement.

THERMAX ENERGY & ENVIRONMENT LANKA (PVT) LTD

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH, 2024

4 PROPERTY, PLANT AND EQUIPMENT	Balance As at 01.04.2023	Additions/ Revaluation	Disposals	Balance As at 31.03.2024
4.1 Gross Carrying Amounts	Rs.	Rs.	Rs.	Rs.
At Cost				
Computers & Software	133,500	-	-	133,500
Furniture & Fittings	-	515,000	-	515,000
Total Gross Carrying Amount	**133,500**	**515,000**	**-**	**648,500**

4.2 Depreciation	Balance As at 01.04.2023	Charge for the year	Disposals/ Transfers	Balance As at 31.03.2024
At Cost	Rs.	Rs.	Rs.	Rs.
Computers & Software	130,406	3,094	-	133,500
Furniture & Fittings	-	21,458	-	21,458
Total Depreciation	**130,406**	**24,552**	**-**	**154,958**

4.3 Net Book Value of Assets	2024	2023
	Rs.	Rs.
At Cost		
Computers & Software	**-**	3,094
Furniture & Fittings	**493,542**	-
Total Carrying Amount of Property, Plant and Equipment	**493,542**	3,094

4.4 During the year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs.515,000 (2023 - Nil). Cash payments amounting to Rs.515,000 (2023 - Nil).

5. TRADE AND OTHER RECEIVABLES

		2024	2023
Trade Receivables From Related Party	**Relationship**	**Rs.**	Rs.
Thermax Limited - India	Affiliate Company	**2,184,413**	15,174,478
		2,184,413	15,174,478
Other Receivables			
Advance Paid to Related Party (Note 5.1)		**337,716,196**	-
Refundable Deposit		**19,558,396**	239,750
Prepayments		**374,726**	186,256
VAT Receivables		**30,941,471**	-
Others		**5,230,143**	-
		393,820,932	426,006
		396,005,345	15,600,484

5.1 Advance Paid to Related Party		2024	2023
Thermax Limited - India	**Relationship**	**Rs.**	Rs.
	Affiliate Company	**337,716,196**	-
		337,716,196	-

6. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

Components of Cash and Cash Equivalents	2024	2023
	Rs.	Rs.
Favorable Cash and Cash Equivalent Balances		
Cash and Bank Balances	**124,033,221**	133,571,222
Short Term Deposits (Note 6.1)	**23,347,288**	22,585,206
	147,380,509	156,156,428
Unfavorable Cash and Cash Equivalent Balances		
Bank Overdrafts	**-**	-
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	**147,380,509**	156,156,428

6.1 Short Term Investments	2024	2023
	Rs.	Rs.
Call Deposits	**20,000,000**	20,000,000
Interest Receivable on Fixed Deposits & Call Deposits	**3,347,288**	2,585,206
	23,347,288	22,585,206

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH, 2024

7. STATED CAPITAL

	2023/2024	
	Number	**Rs.**
Fully Paid Ordinary Shares	113,430,000	1,134,300,000
	113,430,000	1,134,300,000

8. TRADE AND OTHER PAYABLES

	2024	2023
	Rs.	Rs.
Accrued Expenses		
Audit fee payable	**250,000**	195,000
Legal & Professional Fees Payable	**60,000**	55,000
Other Payables	**1,013,407**	160,910
Advance From Nestle Lanka PLC	**40,812,000**	-
	42,135,407	410,910

9. REVENUE

	2024	2023
	Rs.	Rs.
Marketing and Sales Supporting Fees	**21,796,591**	29,551,616
	21,796,591	29,551,616

10. TAXATION

	2024	2023
	Rs.	Rs.
Tax expense for the year (10.1)	**-**	957,816
Deferred Tax Charge (12)	**(15,812,768)**	-
Income tax expense reported in the Income Statement	**(15,812,768)**	957,816

10.1 A reconciliation between the tax expense and the product of taxable profit multiplied by the statutory tax rate is as follows:

	2024	2023
	Rs.	Rs.
Accounting (Loss)/Profit before tax	**(52,010,974)**	1,532,207
Aggregate of Disallowed items	**48,576,841**	3,389,574
Aggregate of Allowed items	**(106,300)**	(3,300)
Aggregate of Gains from realization of Business Assets - Realized Gains	**(18,768,676)**	(1,370,782)
Aggregate of Accounting Profit on realization of Business Assets		
Income from other sources	**(1,180,233)**	(760,000)
Income from Business	**(23,489,342)**	2,787,699
Taxable Profit (loss) from Trade and Business	**(23,489,342)**	2,787,699
Other Sources of Income		
Interest Income	**1,180,233**	760,000
Taxable Income from other sources	**(22,309,109)**	3,547,699
Income tax @ 24%	**-**	425,974
Income tax @ 30%	**-**	531,842
Total Income Tax	**-**	957,816

11. INCOME TAX PAYABLE / REFUND

	2024	2023
Income tax payable / (Refund)	**Rs.**	Rs.
At the beginning of the year	**(263,712)**	7,591
Provision made during the year	**-**	957,816
Under Provision of Income Tax	**276,185**	-
Payments made during the year	**(429,666)**	(1,229,119)
WHT Set-Off	**-**	-
Balance at the end of the year	**(417,193)**	(263,712)

12. DEFERRED TAX ASSET

	2024	2023
	Rs.	Rs.
Balance as at 1st april	-	-
Provision made during the Year	(15,812,768)	-
Balance as at 31st March	(15,812,768)	-

The recognised deferred tax asset is attributable to the following.

As at 31 March	2024		2023	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
On Property, Plant and Equipment	81,542	24,463	-	-
On Accumulated tax Loss	(22,309,109)	(6,692,733)	-	-
On Unrealised Exchange Difference	(30,481,659)	(9,144,498)	-	-
	(52,709,225)	(15,812,768)	-	-

13. COMMITMENTS AND CONTINGENCIES

The Company does not have commitments and contingencies as at Reporting date.

14. ASSETS PLEDGED

The Company does not have asset pledged as at Reporting date.

15. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Reporting Date which require adjustment to or disclosure in the Financial Statements.

16. RELATED PARTY DISCLOSURE

16.1 A - Marketing and sales support services to Thermax Limited.

Nature of Transaction	Thermax Limited India Affiliated Company	
	2024	2023
	Rs.	Rs.
As at 1 April	15,174,478	5,047,651
Receipts	(33,236,792)	(18,356,083)
Marketing and Sales Supporting Services	21,992,318	29,551,616
Exchange Gain / Loss	(1,745,591)	(1,068,705)
Balance as at 31 March	2,184,413	15,174,478

16.1 B - Purchase of Equipment

	2024	2023
	Rs.	Rs.
As at 1 April	-	-
Advance payment to Thermax Limited	916,533,665	-
Shipments during the year	(532,092,549)	-
Exchange Gain / Loss	(46,724,948)	-
Balance as at 31 March	337,716,168	-

16.2 Transactions with Key Management Personnel of the Company.

The key management personnel of the company are the members of its Board of Directors and its Country Manager.

Key Management Personnel Compensation

	2024	2023
	Rs.	Rs.
Transactions with Key Management Personnel		
Short Term Benefits	5,396,910	9,706,948
Performance Incentives	1,599,559	1,071,850
Post Employment Benefits	2,080,972	1,641,324

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is mainly exposed to foreign currency risk, credit risk, Recoverable Risks, Liquidity Risks, operational risk, & Compliance Risk .

18. FINANCIAL RISK MANAGEMENT

Foreign exchange risk

The Company's exposure to foreign exchange risk is significant as its main income is through foreign currency transactions. Company's one and only customers is denominated in United States Dollar . Hence, the element of risk is generated through the translation of such transactions into the reporting currency, i.e. Sri Lankan Rupees. Therefore, any form of fluctuation in the Exchange Rate will have an impact on the company which resulted in losses to the company.

The Company manages its foreign currency risk by giving shorter credit term to its one and only customer to avoid severe exchange losses.

Credit risk

The Company does not face any credit risk as it does not have any receivables with outside other than its group of companies.

Trade Receivables

Trade Receivables is from Related Party, Hence, no risk associated with it as the amounts are received accordingly to the credit period given.

Liquidity risk

The company is assured of any financial support from its immediate parents in case if they fall due to meet its obligations hence enabling them to continue their operation as a going concern. However, the company uses the above option only as a last resort. The company tries to manage its liquidity through its recoveries alone.

Operational Risk

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework, which includes developing and monitoring the Company's risk management policies.

Compliance Risk

Compliance risk is defined as the potential financial loss or other damages arising from the failure to adhere to any law or regulatory requirement applicable to the Company, such as the Company's Act of 07 of 2007, Sri Lanka Accounting and Audit Standards, guidelines set by Inland Revenue Department and Board of Investment Sri Lanka.

DETAILED EXPENDITURE STATEMENTS YEAR ENDED 31 MARCH 2024.

Statement - 1

	2024	2023
	Rs.	Rs.
ADMINISTRATIVE EXPENSES		
Salaries & Wages	**12,681,406**	13,867,554
EPF Expenses	**1,049,284**	1,661,614
ETF Expenses	**185,698**	272,680
Allowance	**506,597**	1,178,204
One Time Lump Sum Payment	**763,080**	1,466,972
Accounting Charges	**756,000**	799,470
Accommodation Expense	**-**	22,885
Audit Fee	**297,868**	241,248
Bank Charges	**87,823**	75,280
BOI Fees	**161,884**	136,987
Communication Expense	**92,701**	115,619
Customer Relation Expense	**-**	13,090
Depreciation	**24,552**	4,125
Food Expense	**388,770**	186,260
Foreign Travelling	**1,256,148**	90,234
House Rent	**1,320,000**	2,340,000
Legal & Professional Fees	**385,875**	55,000
Leave Travel Allowance	**-**	336,006
Miscellaneous Expenses	**484,662**	118,681
Payroll Processing Fees	**302,200**	272,460
Transport Charges	**-**	147,809
Vehicle Rent	**550,000**	1,320,000
Insurance	**42,334**	38,889
Office Rent	**184,000**	168,480
Stamp Duty Expense	**250**	300
Local Conveyance Expense	**800,820**	776,479
Under Provision of Professional Fee	**-**	1,300
Secretarial Charges	**728,429**	124,000
Visa Expense	**398,358**	647,816
VAT Expenses	**161,380**	22,650
SSCL Expenses	**33,779**	4,341
Gratuity	**1,495,871**	-
Educational Expenses	**364,061**	1,358,690
LC Gurantee Charges	**1,514,021**	-
	27,017,850	27,865,123

DANSTOKER POLAND SP. ZO.O.

Management Board

Mahesh Channakeshaviah Bukinkere (Chairman)
Peter Overgaard (Vice Chairman of the Board)
Sanjay Reddy (Board Member)

Registered Office

Ostrowiec Św. ul. Kolejowa 20

Auditors

Grant Thornton Polska P.S.A.
ul. Abpa Antoniego Baraniaka 88 E
61-131 Poznań
Polska

Chief Operating Officer

Grzegorz Borkowski

In charge of the books of account

Michał Musiał

Bankers

mBank

Management's declaration

In accordance with Article 52 of the Accounting Act of 29 September 1994 with subsequent amendments, the Management Board of the Company Danstoker Poland Sp. z o.o. presents its financial statements for the financial year ended March 31st 2024, consisting of:

- the balance sheet prepared as at March 31st 2024,
- the profit and loss account for the period April 1st 2023 to March 31st 2024,
- the statement of cash flows for the period April 1st 2023 to March 31st 2024, the statement of changes in shareholders' equity for the period April 1st 2023 to March 31st 2024,
- additional information, consisting of introduction and notes to the financial statements.

The financial statements have been prepared in accordance with the presented provisions of the Accounting Act, and give a true and fair view of the Company's financial position and financial result.

Company representatives

Mahesh Bukinkere

President of the Board

Peter Overgaard

Vice-President of the Board

Sanjay Reddy

Member of the Board

Independent Auditor's Report

For the Shareholders of Danstoker Poland Spółka z ograniczoną odpowiedzialnością

Opinion

We have audited the annual financial statements of Danstoker Poland Sp. z o.o. (the Company) with its registered office in Ostrowiec Świętokrzyski, 20 Kolejowa street, which comprise the introduction to the annual financial statements, balance sheet as of March 31, 2024, the profit and loss account, statement of changes in equity, cash flow statement for the financial year then ended, additional notes and explanations.

In our opinion, the accompanying annual financial statements:

- give a true and fair view of the financial position of the Company as of March 31, 2024 and of its financial performance and of its cash flows for the financial year then ended in accordance with the Accounting Act of September 29, 1994 (the Accounting Act) and adopted accounting principles (policy),
- were prepared on the basis of properly maintained books of account,
- comply with the laws affecting the content and form of the annual financial statements and the provisions of the Company's articles of association.

Basis of Opinion

We conducted our audit in accordance with:

- the Act of May 11, 2017 on statutory auditors, audit firms, and public supervision (the Act on Statutory Auditors) and
- National Standards on Auditing in the wording of International Standards on Auditing adopted by resolutions of the National Council of Statutory Auditors and the Council of Polish Agency for Audit Oversight (NSA).

Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for *Accountants' International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (IESBA Code) adopted by the National Council of Statutory Auditors' resolution together with the ethical requirements that are relevant to our audit of the financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management Board for the Annual Financial Statements

The Management Board of the Company is responsible for the preparation, on the basis of properly maintained books of account, of these annual financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Act, regulations issued on the basis thereof, adopted accounting principles (policy), other legal regulations, and the Company's articles of association. The Management Board of the Company is also responsible for such internal control as the Management Board determines is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the annual financial statements, the Management Board 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 the Management Board either intends to liquidate the Company or to cease the operations, or has no realistic alternative but to do so.

In accordance with the Accounting Act, the Management Board of the Company is obliged to assure compliance of the annual financial statements with the requirements of the Accounting Act.

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

Our objectives are to obtain reasonable assurance about whether the annual 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 NSAs 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 annual financial statements.

The scope of the audit does not include assurance on the future viability of the Company or on the efficiency or effectiveness with which the Management Board has conducted or will conduct the affairs of the Company.

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

- Identify and assess the risks of material misstatement of the annual 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the Management Board'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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Other Information including the Report on the Company's operations

The other information comprises the Report on the Company's operations for the financial year ended March 31, 2024. The Management Board of the Company is responsible for the preparation of the Report on the Company's operations in accordance with the Accounting Act and other legal regulations. The Management Board of the Company is obliged to assure compliance of the Report on the Company's operations with the requirements of the Accounting Act.

Our opinion on the annual financial statements does not cover the Report on the Company's operations and we do not express any form of assurance conclusion thereon that results from NSAs. In connection with our audit of the annual financial statements, our responsibility is to read the Report on the Company's operations and, in doing so, consider whether it is materially inconsistent with the annual 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 the Report on the Company's operations, we are required to report that fact. Additionally, according to the Act on Statutory Auditors, our responsibility is to express an opinion on whether the Report on the Company's operations has been prepared in accordance with legal regulations and whether information included therein is consistent with the accompanying annual financial statements.

In our opinion, the Report on the Company's operations has been prepared in accordance with the applicable legal regulations, i.e. Article 49 of the Accounting Act, and information included therein is consistent with the accompanying annual financial statements. Moreover, taking into account our knowledge of the Company and its environment obtained during the audit of the annual financial statements, we state that we have not identified any material misstatements in the Report on the Company's operations.

Magdalena Lichocka-Rak

Statutory Auditor No. 12796

Key Audit Partner performing the audit on behalf of

Grant Thornton Polska Prosta spółka akcyjna,

Poznań, ul. Abpa Antoniego Baraniaka 88 E, Audit Firm No. 4055

Warsaw, May 23, 2024

DANSTOKER POLAND SP. ZO.O.

MANAGEMENT REPORT ON THE COMPANY'S ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31st March 2024

I. Legal and organizational status

Danstoker Poland Spółka z ograniczoną odpowiedzialnością (hereinafter "the Company") seated in Ostrowiec Świętokrzyski (Poland), ul. Kolejowa 20 is a commercial company and has been entered into the Register of Entrepreneurs of the National Court Register kept by the District Court in Kielce, 10th Commercial Division of the National Court Register under number 0000652298.

The company has no branches.

The main shareholder of the company and the owner of 100% of the total number of shares is Danstoker A / S, based in Herning, Denmark.

During the financial year, there were no changes to the Company's agreement.

There were no changes in the composition of the Company's Management Board during the financial year. Currently, the Management Board consists of the following persons:

- Mahesh Bukinkere,
- Peter Overgaard,
- Sanjay Reddy.

II. Significant events occurring in the financial period and after the financial period, affecting the Company's operations and organizational matters

The Company notes the suspension or postponement of investments involving the construction of new or modernization of existing heating installations. This is especially visible in the furniture industry. The company welcomes information about additional budget funds under the National Reconstruction Plan, which are also to be allocated to the modernization of heating networks. The Company sees a particular opportunity in the area of biomass-fired boilers. The strategy of building an appropriate order portfolio allowed the Company to significantly improve its financial result.

The Company's operations are still financed by a loan from the sole shareholder, Danstoker A/S. Due to the increase in market interest rates, the costs of its servicing increased significantly (PLN 1,096,000 in the form of interest). In the financial year, the Company settled a loan in the amount of PLN 5,140 thousand PLN.

III. Foreseen Company development

Danstoker Poland sp. z o. o. maintains its plan to become a leader in Poland and Eastern Europe in the production of boilers.

The company is increasing its position on the market and building its recognition thanks to the Danstoker and Thermax brands.

IV. Achievements in research and development

The company does not carry out research and development.

V. Current and forecasted financial situation

During the financial year the Company recorded a profit of 4.047 tsd. PLN. Net revenues from the sale of products, services, goods and materials reached 48.952 tsd. PLN, including revenues from the group of 12.749 tsd. PLN. The sales plan for the next year assumes an increase in sales revenue and further improvement of the net financial result.

Current financial situation (data in thousands of PLN):

1) Balance = 41.240

2) Net profit = 4.047

3) Achieved revenues: 47.134 comprises of:

a) Net revenue from sales and equivalent: 45.779

b) Other operating revenue: 1.355

4) Costs: 43.484 comprises of:

a) Operating costs: 41.229

b) Other operating costs: 1.076

c) Financial costs: 1.179

VI. Purchase of own shares

The company has not purchased own share during financial year.

VII. Information on financial instruments

The information is included in the notes to the financial statements in Notes 52-56.

VIII. Financial indicators

	31.03.2024	31.03.2023
ROA %	9,34	0,80
ROE %	86,99	13,66
Return on sales %	8,27	0,88
Current ratio	2,13	1,55
Quick ratio	0,96	0,52
Days Sales Outstanding	28,97	35,64
Equity to fixed assets ratio %	30,07	11,33

Defined:

$$ROA\ \% = \frac{net\ profit}{average\ assets\ value\ in\ the\ year}$$

$$ROE\ \% = \frac{net\ profit}{average\ value\ of\ the\ equity\ in\ the\ year}$$

$$Return\ on\ sales\ \% = \frac{net\ profit}{sales\ of\ products, goods\ and\ materials}$$

$$Current\ ration\ = \frac{current\ assets}{short\ term\ liabilities}$$

$$Quick\ ratio\ = \frac{current\ assets\ (without\ \text{more than 12 months}) - intentories}{short\ term\ liabilities\ (without\ \text{more than 12 months})}$$

$$Days\ Sales\ Outstanding = \frac{average\ receivables\ balance\ in\ the\ year\ x\ 365\ days}{sales\ of\ products, goods\ and\ materials}$$

$$\begin{array}{c}Equity\ to\ fixed\\ assets\ ratio\ \%\end{array} = \frac{equity + longterm\ provisions}{fixed\ assets}$$

IX. Non-financial indicators

Number of accidents at work: 3, individual, non-serious

....
Mahesh Bukinkere
President of the Board

....
Peter Overgaard
Vice-President of the Board

....
Sanjay Reddy
Member of The Board

May 22nd 2024

Additional Information

1. **General information**

The financial statements of Danstoker Poland Spółka z ograniczoną odpowiedzialnością (herainafter: "the Company"), with its registered office in Ostrowiec Świętokrzyski ul. Kolejowa 20, have been prepared in accordance with the Accounting Act of 29 September 1994 and the Code of Commercial Partnerships and Companies of 15 September 2000.

The Company's activities consist of:

Designing and production of boilers, high pressure tanks, heat exchangers and steel constructions.

Classification of the Company's activities in accordance with PKD [Polish Classification of Activities] 2007:

Core activity:

- Production of heaters and central heating boilers.

Secondary activities:

- Production of steel structures and their parts
- Production of other tanks, cisterns, and metal containers
- Metal forging and surfacing metals with various coatings
- Mechanical machining of metal elements
- Production of other metal finished goods not classified elsewhere
- Operations in the scope of professional design
- Operations in the scope of engineering and related technical advisory
- Construction of water and waste water, heating, gas and cooling systems.

On 14th of December 2016 the company entered in the Business Register of the National Court Register (Krajowy Rejestr Sądowy KRS) in number KRS 0000652298.

In accordance with its statute/articles of association, the Company has been formed for an unspecified time. The duration of the company is unlimited.

The Company's Management Board comprises:

- Mahesh Bukinkere,
- Peter Overgaard,
- Sanjay Reddy.

2. **Presentation of financial statements**

The Company is presenting its financial statements for the financial year from April 1st 2023 to March 31st 2024.

The financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future of no less than a year from the balance sheet date with no reduction of scope.

The company has been assured by its owner on further supporting the business. With that there are no other threats to pursue the operations.

The Company is presenting additional information to the balance sheet in accordance with Appendix No. 1 to the Accounting Act.

3. **Comparability of data**

The present financial statements contain financial data for the financial year ended on March 31st 2024 as well as comparative financial data for the financial year ended on March 31st 2023.

4. **Accounting methods**

The financial statements have been prepared in accordance with the requirements of the Accounting Act of 29 September 1994 applicable to going concerns.

The accounting methods adopted by the Company are applied continuously and are consistent with the accounting methods applied in the previous financial year.

The Company prepares its profit and loss account by nature.

In its financial statements the Company discloses economic events in accordance with their economic substance.

The Company's financial result for the financial year includes all revenue earned by and due to the Company, as well as all the costs associated with such revenue in accordance with the accrual method, the matching concept and the prudence principle.

4.1. Profit and loss account

4.1.1. Revenue

Sales revenue includes net amounts undoubtedly due or received as a result of sales, i.e. amounts reduced by applicable output value added tax (VAT), recorded in the periods to which they pertain. Revenue from the sale of finished products, goods for resale and raw materials is recognized in the profit and loss account when the significant risks and benefits of their ownership are transferred onto the buyer.

All costs incurred due to the performance of an unfinished service covered by a contract with a performance period not longer than 6 months until the completion of the contract, are presented as work in progress. Orders with a performance period of more than 6 months are accounted for as long-term contracts.

In accordance to Article 34a paragraph. 2 of the Accounting Act, revenues from unfinished service, including construction services, in the period from the conclusion of the contract to the balance sheet date - after deduction of revenues that influenced the financial result in previous reporting periods - are determined in proportion to the stage of its advancement. The stage of advancement of the service is measured by the share of costs incurred from the date of conclusion in the total costs of the service.

4.1.2. Costs

The Company records its costs by nature. The costs of finished products, goods for resale and raw materials sold include costs directly associated with them, as well as a justified portion of indirect costs.
The portion of indirect production costs that does not correspond to the level of such costs when normal production capacity is utilized constitutes a cost of the period in which it was incurred.

In addition, the Company's financial result is affected by:

- Other operating revenue and costs indirectly related to the Company's operations, such as, among others, profits and losses from the sale of non-financial fixed assets, revaluation of non-financial assets, formation and release of provisions for future risks, penalties, fines and damage compensation, the receipt or presentation of donations.
- Financial revenue from dividends (shares in profits), interest, profits from the sale of investments, revaluation of investments, foreign exchange gains.
- Financial costs of interest, losses on the sale of investments, revaluation of investments, foreign exchange losses.

4.1.3. Taxation

The Company's gross financial result is adjusted by:

- its current corporate income tax liabilities,
- changes in deferred income tax assets and provisions for

deferred income tax

Deferred tax – the Company does not apply the simplifications arising out of Article 37 par. 10 of the Accounting Act, which make it possible to omit the calculation of deferred income tax assets and provisions for deferred income tax.

4.1.4. Current income tax

Current income tax – the Company

- is subject to the provisions of the Corporate Income Tax Act,
- is not exempt from corporate income tax based on Article 17 of the Corporate Income Tax Act.

The Company's current corporate income tax liabilities are calculated in accordance with binding tax regulations.

4.1.5. Deferred income tax

Due to temporary differences in the value of the assets and liabilities shown in the books of account and their tax value, as well as the tax losses that may be deducted in the future, the Company creates a provision for deferred income tax and determines the value of deferred tax assets relating to the income tax of which it is a payer.

Deferred income tax assets are set at an amount expected to be deducted from income tax due to negative temporary differences, which will reduce the future tax base, as well as any deductible tax loss determined in accordance with the prudence principle.

Provisions for deferred income tax are created at the amount of income tax that will be payable in the future due to the existence of positive temporary differences, i.e. differences that will increase the tax base in the future.

The deferred portion disclosed in the profit and loss account constitutes the difference between the balance of provisions for deferred income tax and deferred income tax assets as at the end and beginning of the reporting period.

Provisions for deferred income tax and deferred income tax assets relating to transactions settled against equity are charged to equity.

The Company has adopted a method of not offsetting deferred income tax assets and provisions for deferred income tax.

The Company has adopted the following method for the reversal of temporary differences:

- if corporate income tax rates are different in the different financial years, the Company adopted the FIFO method in the reversal of temporary differences.

The amount of provisions for deferred income tax and deferred income tax assets is determined by taking into account the income tax rates applicable in the year in which the tax liability arose.

4.2. Balance sheet

4.2.1. Intangible fixed assets are property rights that may be used economically, with an expected economic useful life of more than a year, held for use for the Company's needs. They are stated at acquisition cost or cost of production for development work, less accumulated amortization and permanent impairment losses.

Intangible fixed assets include in particular

- costs of research and development completed with a positive outcome that will be used in production,
- acquired goodwill,
- copyrights, neighboring rights, licenses, concessions,
- rights to inventions, patents, trademarks, utility models,
- know-how

Intangible fixed assets are amortized using the straight-line method in the period of their expected economic usefulness, using the following rates:

- costs of completed research and development 20%,
- acquired goodwill 20%,
- copyrights, licenses, concessions, trade marks 50%,
- computer software 50%,
- other intangible fixed assets 20%,
- intangible fixed assets with an initial per-item value of no more than 10 thousand zł – amortized on a one-off basis.

If the economic useful life of the results of research and development work cannot be estimated reliably, the amortization period does not exceed 5 years.

4.2.2. Fixed assets are tangible fixed assets and their equivalents with expected economic useful lives of more than one year, which are complete and may be used for the Company's purposes. They are stated at acquisition cost, cost of production or revalued amount (after revaluation of assets), less accumulated depreciation and permanent impairment losses.

The acquisition cost and cost of production of fixed assets includes all the costs incurred by the Company for the period of their construction, assembly, adaptation and improvement up to the date on which they are taken over for use.

The acquisition cost or the cost of production of fixed assets includes the costs of the liabilities taken out in order to finance them and the related foreign exchange differences. The costs of the liabilities are decreased by the related revenue.

In accordance with the Accounting Act, the opening value and accumulated depreciation of fixed assets may, based on separate regulations, be subject to revaluation. The net book value of a fixed asset determined as a result of its revaluation should be no higher than its actual value, the writing down of which in the expected period of its further use is economically justified. The most recent revaluation of fixed assets was conducted using the rates announced by the Main Statistical Office (GUS) as at 1 January 1995.

The initial value of a fixed asset, constituting its acquisition cost or cost of production, is increased by the costs of improvements made to the asset, consisting of its reconstruction, expansion or modernization, resulting in its value in use after the improvements being higher than its initial value in use.

Used by the Company for tax purposes are the depreciation rates set forth in the Corporate Income Tax Act dated 15 February 1992, defining the value of tax-deductible depreciation.

Assets with expected useful lives of no more than one year or initial values of no more than 10,0 thousand zł are written off at the moment at which they are given over for use.

Fixed assets are depreciated using the straight-line starting from the month following the month in which they were taken over for use, in the period corresponding to the estimated period of their economic usefulness.

The following depreciation rates are used:

- land in perpetual usufruct 0%
- buildings and constructions 2,5%/10%,
- plant and equipment,
  (excluding computer hardware), 10%/14%/18%,
- computer hardware, 30%,
- vehicles, 14%/20%,
- other fixed assets. 20%.

4.2.3. **Fixed assets under construction** are stated at the total costs directly associated with their acquisition or production, less permanent impairment. Included in the acquisition cost or cost of production of fixed assets under construction are the costs of liabilities taken out to finance them along with the related foreign exchange differences, less the resulting revenue.

4.2.4. **Tangible components of current assets are stated at acquisition cost or cost of production no higher than their net realizable price as at the balance sheet date.**

Individual groups of inventory are valued as follows:

Raw materials	purchase price
Semi-finished products and work in progress	cost of production
Finished products	cost of production
Goods for resale	purchase price

Costs of production do not include the following costs:

- arising out of unused production capacity and production losses,
- general administrative costs not associated with bringing the product to the form and place in which it occurs on the valuation date,
- costs of storing finished products and semi-finished products, unless such costs are a part of the production process,
- costs of sales.

In situations justified by the necessity to prepare goods for resale or products for sale, or by a long production process, the acquisition price or production cost is increased by the costs of the liabilities taken out in order to finance the inventory of goods for resale or finished products in the period in which they were being prepared for sale or manufactured, and the related foreign exchange differences, less the related revenue.

Revaluation write-downs of tangible components of current assets made due to their impairment or resulting from their valuation to net realizable prices reduce the value of the items in the balance sheet and are recorded under other operating costs.

Inventory outflow valuation methods:

- assuming that the outflow of asset components is stated consecutively at the prices (costs) of the asset components acquired (produced) first (FIFO),

4.2.5. **Receivables** are stated at amounts due, in accordance with the prudence principle (less revaluation write-downs).

Receivables expressed in foreign currencies are stated as at the balance sheet at the average exchange rate announced for a given currency for that day by the National Bank of Poland.

Foreign exchange differences on receivables expressed in foreign currencies arising on the valuation and payment date are included in, respectively: foreign exchange losses in financial costs, foreign exchange gains in financial revenue. In justified cases they are included in the costs of finished products, services and goods for resale, as well as in the costs of tangible or intangible fixed assets (as an increase or a reduction of such costs, respectively).

4.2.6. **Cash and cash equivalents** are stated at nominal value.

Cash and cash equivalents expressed in foreign currencies are valued as at the balance sheet date at the average exchange rate announced for a given currency for that day by the National Bank of Poland.

4.2.7. **Prepaid expenses** are recognized when the costs incurred relate to future reporting periods.

This item includes the surplus of the costs that have been recorded over the costs that have been invoiced in connection with the realization of long-term contracts. This item is used for paid insurance policies, subscriptions and inerim computer program licences.

4.2.8. **Unpaid share capital** consists of capital contributions that have been declared but not yet made. They are recognized at the value specified in the Company's articles of association/ statute.

4.2.9. **Treasury (own) shares are assets acquired from the shareholders for the purpose of redemption or sale. They are recognized at acquisition cost.**

4.2.10. **Equity** is recognized in the books of account at nominal value by type and in accordance with the provisions of the law and the Company's articles of association/statute.

The Company's **share capital** is listed at the amount specified in the articles of association or statute and entered in the court register.

Reserve capital is formed from the distribution of profits, transfers from the revaluation reserve and share premium reduced by the costs of share issues. The remaining costs of share issues are recorded as financial costs.

Revaluation reserve is a fund created as a result of fixed asset revaluations; the most recent revaluation was conducted as at 1 January 1995. When assets are sold or liquidated, a corresponding part of the revaluation reserve is transferred to the reserve capital. A write-down relating to permanent impairment in the value of assets, which was previously subject to revaluation, reduces the revaluation reserve to the extent to which it corresponds to that fixed asset.

The revaluation reserve is also increased by the effects of revaluating investments included in fixed assets, whereby the value of the investments is increased to their market value. Any decreases in the value of the investments previously revalued to the amount by which the revaluation reserve was increased reduce the value of the revaluation reserve, providing that the revaluation difference had not been settled by the valuation date. The portion of the effects of decreases in the value of investments that exceeds the previously formed portion of the revaluation reserve are included in the financial costs of the reporting period.

4.2.11. **Provisions** are liabilities whose due date or amount are uncertain. Provisions are formed in accordance with a legal or customarily expected obligations, i.e. when there is a high probability that the entity will have to meet its obligations, and the costs or losses that will need to be incurred to meet the obligations are material to such an extent that failure to include them in the financial result of the period in which the obligation arose would result in a material misstatement of the Company's financial position and financial result.

Provisions are included, respectively, in other operating costs or financial costs, depending on the circumstances to which the future liabilities pertain.

4.2.12. **Liabilities** are stated as at the balance sheet date at amounts due, with the exception of liabilities, which in accordance with concluded agreements, are paid through the issue of financial assets other than cash or exchange to financial instruments – which are stated at fair value.

Liabilities with due dates of more than 1 year from the balance sheet date, with the exception of trade payables, are listed under long-term liabilities. The remaining liabilities are listed as short-term.

Liabilities expressed in foreign currencies are stated as at the balance sheet date at the average exchange rate announced for a given currency for that day by the National Bank of Poland.

Foreign exchange differences relating to liabilities expressed in foreign currencies arising as at the valuation and payment date are listed as: foreign exchange losses as financial costs, and foreign exchange gains as financial revenue. In justified cases they are included in the costs of finished products and services, or the acquisition price of goods for resale, as well as the costs of fixed assets or intangibles.

4.2.13. Other accruals

a) **Accrued expenses** are recognized at the value of the probable liabilities corresponding to the current reporting period.

- Paid time-off accruals
- Audit accruals

b) **Deferred income,** recognized in accordance with the prudence principle, includes in particular:

- funds received in order to finance the acquisition or production of fixed assets, including assets under construction and research and development work, if in accordance with other regulations they do not increase the Company's equity. The amounts included in deferred income gradually increase other operating revenue, parallel to depreciation/amortization and accumulated depreciation/amortization of fixed assets or research and development financed from those sources,
- negative goodwill,
- the equivalent of the funds received or due from contractors for services that will be performed in future reporting periods.

Advances received for the delivery of services are presented in the balance sheet under "short-term liabilities to other parties – advances for deliveries".

4.2.14. Valuation of foreign currency transactions

Economic transactions expressed in foreign currencies are recognized in the books of account as at the date of the transaction at the following rate:

1) the foreign exchange rate actually applied on that day, which arises out of the nature of the transaction – with respect to foreign currency sale or purchase transactions and with respect to payments of receivables and payables;
2) the average exchange rate announced by the National Bank of Poland for the day preceding the transaction – with respect to payments of receivables or payables, if the application of the actual exchange rate referred to in point 1 is not justified, and with respect to other transactions.

The following items expressed in foreign currencies are valued as at the balance sheet date:

1) assets (with the exception of shares in subordinated entities valued by equity accounting) and liabilities – at the average exchange rate binding on that day as announced for a given currency by the National Bank of Poland, subject to point 2;
2) cash at entities that buy and sell foreign currencies – at the rate applied at its purchase, no higher however than the average exchange rate announced for the day of the valuation by the National Bank of Poland.

Foreign exchange differences relating to other assets and liabilities expressed in foreign currencies arising as at their valuation and payment date are included in financial revenue or expenses, and in justified cases - in the costs of finished products and services, or the acquisition price of goods for resale, as well as the costs of fixed assets or intangibles.

4.3. Financial risk factors and financial risk management – notes to the financial statements

The Company's activities are exposed to the following types of financial risk:

- market risk, including currency risk, interest rate risk and other pricing risk,
- loss of liquidity risk,
- credit risk.

Currency risk

The Company is exposed to changes in foreign exchange rates due to 30 % of turnover coming from EUR. Thus the Company's currency risk is associated primarily with changes in the EUR. Intercompany services depend on DKK exchange rates. Its exposure to risks associated with other currencies is immaterial.

The Company does not manage currency risk.

The Company considers managing currency risk using natural hedges (balancing the revenue and expenses in a given currency), as well as derivative financial instruments, futures and options.

Interest rate risk

The Company has credit and loan payables where interest is calculated based on variable interest rates. Their worth is immaterial from exposure to interest rate risk point of view.

Other pricing risk

The Company is not exposed to significant other pricing risk associated with financial instruments, but there is a pricing risk relating to the prices of the Company's products and raw materials. The Company does not use derivative hedging instruments with regard to pricing risk.

Loss of liquidity risk

The Company is exposed to loss of liquidity risk, defined as a risk of losing the ability to pay its obligations as they become due. The Company limits its loss of liquidity risk using financing of from the parent company (Danstoker A/S).

Credit risk

The Company is exposed to credit risk, defined as a risk that its debtors will not meet their obligations and thus cause the Company to incur losses. The Company undertakes activities aimed at limiting credit risk, consisting of: checking the creditworthiness of its customers, securing collateral (guarantees), bank guarantees, prepayments.

Ostrowiec Świętokrzyski, May 16th 2024

Financial statements prepared by

....

Michał Musiał

Management Board

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Mahesh Bukinkere

President of the Board

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Peter Overgaard

Vice-President of the Board

....

Sanjay Reddy

Member of The Board

Balance Sheet as at 31.03.2024

ASSETS	Note No	31 Mar 2024		31 Mar 2023	
		PLN	**Rs Lacs**	PLN	Rs Lacs
A. NON-CURRENT ASSETS		**22,204,354**	**4,640.55**	23,199,503	4,445.44
I. Intangible fixed assets		**-**	**-**	-	-
II. Tangible fixed assets		**20,218,477**	**4,225.52**	21,513,490	4,122.37
1. Fixed assets		**20,218,477**	**4,225.52**	21,508,896	4,121.49
a) land (of which in perpetual usufruct)	32	**1,568,582**	**327.82**	1,568,582	300.57
b) buildings and constructions	32	**16,775,160**	**3,505.89**	17,375,123	3,329.39
c) plant and equipment	32	**1,267,357**	**264.87**	1,764,975	338.20
d) vehicles	32	**478,646**	**100.03**	652,391	125.01
e) other fixed assets	32	**128,733**	**26.90**	147,825	28.33
2. Fixed assets under construction	47	**-**	**-**	4,594	0.88
III. Long-term receivables	6	**-**	**-**	-	-
IV. Long-term investments		**-**	**-**	-	-
V. Long-term prepayments		**1,985,877**	**415.03**	1,686,013	323.07
1. Deferred income tax assets	31	**1,985,877**	**415.03**	1,686,013	323.07
B. CURRENT ASSETS		**19,035,649**	**3,978.32**	22,218,917	4,257.54
I. Inventory		**10,467,957**	**2,187.73**	14,813,654	2,838.56
1. Raw materials	34	**7,179,686**	**1,500.50**	8,584,386	1,644.92
2. Semi-finished products and work in progress	34	**2,766,698**	**578.22**	5,858,169	1,122.53
3. Finished products	34	**283,715**	**59.29**	368,070	70.53
4. Goods for resale	34	**10,180**	**2.13**	2,455	0.47
5. Advances for supplies and services	34	**227,677**	**47.58**	573	0.11
II. Short-term receivables		**3,556,689**	**743.32**	4,668,883	894.64
1. Receivables from related parties		**1,238,077**	**258.75**	1,760,156	337.28
a) trade receivables, with due dates:		**1,238,077**	**258.75**	1,760,156	337.28
– within 12 months	6	**1,238,077**	**258.75**	1,760,156	337.28
2. Receivables from other parties in which the company has invested capital		**-**	**-**	-	-
3. Receivables from other parties		**2,318,612**	**484.57**	2,908,728	557.36
a) trade receivables, with due dates:		**2,221,191**	**464.21**	2,551,756	488.96
– within 12 months	6	**2,221,191**	**464.21**	2,551,756	488.96
b) tax, subsidy, customs, social and health insurance and other public receivables	6	**80,069**	**16.73**	337,336	64.64
c) other	6	**17,352**	**3.63**	19,636	3.76
d) receivables in court	6	**-**	**-**	-	-
III. Short-term investments		**4,783,398**	**999.70**	2,548,937	488.42
1. Short-term financial assets		**4,783,398**	**999.70**	2,548,937	488.42
c) cash and other cash assets		**4,783,398**	**999.70**	2,548,937	488.42
– cash in hand and at bank	1	**4,783,198**	**999.65**	2,548,937	488.42
– other cash	1	**200**	**0.04**	-	-
IV. Short-term prepayments	31	**227,606**	**47.57**	187,442	35.92
– of which: assets from unfinished construction contracts		**-**	**-**	-	-
TOTAL ASSETS		**41,240,003**	**8,618.87**	45,418,420	8,702.99

DANSTOKER POLAND SP. ZO.O.

Balance Sheet as at 31.03.2024

LIABILITIES AND EQUITY	Note No	31 Mar 2024		31 Mar 2023	
		PLN	**Rs Lacs**	PLN	Rs Lacs
A. EQUITY		**6,675,763**	**1,395.19**	2,628,611	503.69
I. Share capital	3	**5,000**	**1.04**	5,000	0.96
II. Reserve capital, of which:	51	**17,055,000**	**3,564.38**	17,055,000	3,268.04
– share premium	51	**17,055,000**	**3,564.38**	17,055,000	3,268.04
III. Revaluation reserve, of which:		**-**	**-**	-	-
IV. Other reserves, of which:		**445,000**	**93.00**	445,000	85.27
V. Accumulated profit (loss) from previous years	50	**(14,876,389)**	**(3,109.06)**	(15,212,542)	(2,915.00)
VI. Net profit (loss) for the year	4	**4,047,153**	**845.83**	336,153	64.41
B. LIABILITIES AND COST PROVISIONS		**34,564,240**	**7,223.68**	42,789,809	8,199.30
I. Cost provisions		**2,941,330**	**614.72**	3,108,567	595.66
1. Provision for deferred income tax	13	**2,467,756**	**515.74**	2,565,534	491.60
2. Provision for retirement and similar benefits		**-**	**-**	-	-
3. Other provisions		**473,574**	**98.97**	543,033	104.05
– short-term	13	**473,574**	**98.97**	543,033	104.05
II. Long-term liabilities		**12,494,280**	**2,611.22**	16,663,121	3,192.95
1. To related parties	7	**12,143,031**	**2,537.81**	16,186,577	3,101.64
2. To other parties in which the company has invested capital	7	**-**	**-**	-	-
3. To other parties		**-**	**-**	-	-
c) other financial liabilities		**351,249**	**73.41**	476,544	91.31
III. Short-term liabilities		**8,934,659**	**1,867.28**	14,334,521	2,746.75
1. Liabilities to related parties		**813,831**	**170.09**	2,215,042	424.44
a) trade payables with due dates:		**813,831**	**170.09**	2,215,042	424.44
– within 12 months	7	**813,831**	**170.09**	2,215,042	424.44
b) other	7	**-**	**-**	-	-
2. Liabilities to other parties in which the company has invested capital		**-**	**-**	-	-
3. Liabilities to other parties		**8,107,701**	**1,694.45**	12,068,247	2,312.49
a) credits and loans	7	**-**	**-**	-	-
b) debt securities	7	**-**	**-**	-	-
c) other financial liabilities	7	**123,807**	**25.87**	128,083	24.54
d) trade payables with due dates		**4,132,014**	**863.56**	6,277,563	1,202.89
– within 12 months	7	**4,132,014**	**863.56**	6,277,563	1,202.89
e) advances received for supplies and services	7	**1,923,279**	**401.95**	4,360,562	835.56
f) promissory notes	7	**-**	**-**	-	-
g) tax, customs, social and health insurance and other public payables	7	**1,241,004**	**259.36**	709,991	136.05
h) payroll	7	**658,486**	**137.62**	591,783	113.40
i) other	7	**29,110**	**6.08**	265	0.05
4. Special funds	48	**13,127**	**2.74**	51,232	9.82
IV. Accruals		**10,193,971**	**2,130.47**	8,683,601	1,663.93
1. Negative goodwill	31	**8,255,955**	**1,725.44**	8,673,978	1,662.09
2. Accrued construction contracts	31	**-**	**-**	-	-
3. Other accruals		**1,938,016**	**405.03**	9,622	1.84
– short-term	31	**1,938,016**	**405.03**	9,622	1.84
TOTAL LIABILITIES AND EQUITY		**41,240,003**	**8,618.87**	45,418,420	8,702.99

PROFIT AND LOSS ACCOUNT [by nature] for 01.04.2023 - 31.03.2024

	Note No	01.04.2023 - 31.03.2024		01.04.2022 - 31.03.2023	
		PLN	Rs Lacs	PLN	Rs Lacs
A. Net revenue from sales and sales equivalent, of which:		**45,778,670**	**9,567.42**	38,974,849	7,468.28
– from related parties	25	**12,762,467**	**2,667.27**	6,307,720	1,208.67
I. Net revenue from the sale of finished products	25	**48,163,455**	**10,065.83**	36,558,273	7,005.22
II. Change in finished products (increase – positive value, decrease – negative value)		**(3,175,825)**	**(663.73)**	822,309	157.57
III. Cost of producing goods for the entity's own needs	26	**2,938**	**0.61**	-	-
IV. Net revenue from the sale of goods for resale and raw materials	25	**788,102**	**164.71**	1,594,266	305.49
B. Operating costs		**41,228,554**	**8,616.48**	38,986,936	7,470.60
I. Depreciation	26	**1,374,005**	**287.16**	1,346,207	257.96
II. Use of materials and energy	26	**19,345,282**	**4,043.03**	18,816,385	3,605.56
III. Third party services	26	**6,752,965**	**1,411.32**	6,034,339	1,156.29
IV. Taxes and charges	26	**325,867**	**68.10**	326,271	62.52
V. Wages and salaries	26	**10,087,855**	**2,108.29**	9,140,026	1,751.39
VI. Social insurance and other employee benefits, of which:	26	**2,527,146**	**528.16**	2,229,594	427.23
– retirement	26	**935,196**	**195.45**	829,058	158.86
VII. Other costs by nature	26	**119,979**	**25.07**	132,424	25.37
VIII. Cost of goods for resale and raw materials sold	49	**695,455**	**145.35**	961,690	184.28
C. Sales profit (loss) (A-B)		**4,550,116**	**950.94**	(12,087)	(2.32)
D. Other operating revenue		**1,355,035**	**283.19**	2,332,599	446.97
I. Profit on the sale of non-financial fixed assets	27	**-**	**-**	381	0.07
II. Subsidies	27	**85,585**	**17.89**	-	-
III. Revaluation of non-financial assets	27	**-**	**-**	-	-
IV. Other operating revenue	27	**1,269,449**	**265.31**	2,332,217	446.89
E. Other operating costs		**1,075,774**	**224.83**	2,114,996	405.27
I. Loss on the sale of non-financial fixed assets		**-**	**-**	-	-
II. Revaluation of non-financial assets	28	**170,254**	**35.58**	199,073	38.15
III. Other operating costs	28	**905,519**	**189.25**	1,915,923	367.13
F. Operating profit (loss) (C+D-E)		**4,829,377**	**1,009.31**	205,515	39.38
G. Financial revenue		**-**	**-**	8,771	1.68
V. Other	29	**-**	**-**	8,771	1.68
H. Financial costs		**1,179,866**	**246.58**	333,274	63.86
I. Interest, of which	30	**1,155,744**	**241.54**	333,274	63.86
– to related parties	30	**1,096,517**	**229.16**	289,085	55.39
IV. Other	30	**24,122**	**5.04**	-	-
I. Gross profit (loss) (F+G-H)		**3,649,511**	**762.72**	(118,988)	(22.80)
J. Income tax	10	**(397,642)**	**(83.10)**	(455,141)	(87.21)
L. Net profit (loss) (I-J-K)		**4,047,153**	**845.83**	336,153	64.41

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Statement of cash flows

	Note No	01.04.2023 - 31.03.2024		01.04.2022 - 31.03.2023	
		PLN	**Rs Lacs**	PLN	Rs Lacs
A. Cash flows from operating activities					
I. Net profit (loss)		**4,047,153**	**845.83**	336,153	64.41
II. Total adjustments		**(1,570,563)**	**(328.24)**	2,044,524	391.77
1. Depreciation	26	**1,374,005**	**287.16**	1,346,207	257.96
2. Foreign exchange gains (losses)		**(5,957)**	**(1.24)**	5,215	1.00
3. Interest and shares in profits (dividends)	18	**1,150,840**	**240.52**	319,150	61.15
4. Profit (loss) on investing activities		**-**	**-**	(381)	(0.07)
5. Changes in provisions	18	**(167,237)**	**(34.95)**	123,102	23.59
6. Changes in inventory	18	**4,345,697**	**908.22**	(4,485,761)	(859.55)
7. Changes in receivables	18	**1,112,194**	**232.44**	(1,437,721)	(275.49)
8. Changes in short-term liabilities, excluding credits and loans	18	**(5,410,386)**	**(1,130.73)**	1,640,179	314.29
9. Changes in prepayments and accruals	18	**1,170,343**	**244.59**	(307,809)	(58.98)
10. Other adjustments	18	**(5,140,063)**	**(1,074.24)**	4,842,342	927.88
III. Net cash flows from operating activities (I+II)		**2,476,589**	**517.59**	2,380,677	456.18
B. Cash flows from investment activities					
I. Income		**-**	**-**	381	0.07
1. Sale of intangible and tangible fixed assets		**-**	**-**	381	0.07
II. Expenses		**64,192**	**13.42**	134,876	25.84
1. Acquisition of intangible and tangible fixed assets		**64,192**	**13.42**	134,876	25.84
III. Net cash flows from investment activities (I-II)		**(64,192)**	**(13.42)**	(134,495)	(25.77)
C. Cash flows from financing activities					
I. Income		**-**	**-**	-	-
1. Net income from the issue of shares and other capital instruments as well as contributions to capital		**-**	**-**	-	-
2. Credits and loans		**-**	**-**	-	-
II. Expenses		**183,894**	**38.43**	125,878	24.12
1. Acquisition of treasury (own) shares		**-**	**-**	-	-
2. Dividends and other payments to shareholders		**-**	**-**	-	-
3. Distributions of profit other than payments to shareholders		**-**	**-**	-	-
4. Repayment of credits and loans		**-**	**-**	-	-
5. Buyback of debt securities		**-**	**-**	-	-
6. Financial liabilities		**-**	**-**	-	-
7. Payment of finance lease payables		**129,571**	**27.08**	95,813	18.36
8. Interest		**54,324**	**11.35**	30,065	5.76
III. Net cash flows from financing activities (I-II)		**(183,894)**	**(38.43)**	(125,878)	(24.12)
D. Total net cash flows (A.III.+B.III+C.III)		**2,228,503**	**465.74**	2,120,304	406.29
E. Net change in cash balances, of which:		**2,234,460**	**466.99**	2,115,089	405.29
– change in cash balances relating to foreign exchange differences		**5,957**	**1.24**	(5,215)	(1.00)
F. Cash at beginning of period		**2,548,937**	**532.71**	433,848	83.13
G. Cash at end of period (F+D), of which:		**4,777,441**	**998.45**	2,554,153	489.42
– restricted cash		**758,562**	**158.53**	300,120	57.51

Statement of changes in shareholders equity

	01.04.2023 - 31.03.2024		01.04.2022 - 31.03.2023	
	PLN	**Rs Lacs**	PLN	Rs Lacs
I. Equity at beginning of period (Opening Balance)	**2,628,611**	**549.36**	2,292,458	439.28
– changes in accounting policies	-	-	-	-
– adjustment of errors	-	-	-	-
I.a. Adjusted equity at beginning of period (OB)	**2,628,611**	**549.36**	2,292,458	439.28
1. Share capital at beginning of period	**5,000**	**1.04**	450,000	86.23
1.1. Changes in share capital	-	-	(445,000)	(85.27)
a) increases relating to	-	-	-	-
b) decreases relating to	-	-	445,000	85.27
– correction of errors unregistered equity value in National Court Register	-	-	445,000	85.27
1.2. Share capital at end of period	**5,000**	**1.04**	5,000	0.96
2.1. Changes in reserve capital	**17,055,000**	**3,564.38**	17,055,000	3,268.04
a) increases relating to	-	-	-	-
– share premium	-	-	-	-
3. Revaluation reserve at beginning of period – changes in accounting policies	-	-	-	-
3.1. Changes in revaluation reserve	-	-	-	-
3.2. Revaluation reserve at end of period	-	-	-	-
4. Other reserves at beginning of period	**445,000**	**93.00**	-	-
4.1. Changes in other reserves	-	-	445,000	85.27
a) increases relating to	-	-	445,000	85.27
– correction of errors unregistered equity value in National Court Register	-	-	445,000	85.27
b) decreases relating to	-	-	-	-
4.2.Other reserves at end of period	**445,000**	**93.00**	445,000	85.27
5. Accumulated profit (loss) from previous years at beginning of period	**(14,876,389)**	**(3,109.06)**	(13,704,497)	(2,626.03)
5.1. Accumulated profit from previous years at beginning of period	**336,153**	**70.25**	-	-
5.2. Adjusted accumulated profit from previous years at beginning of period	**336,153**	**70.25**	-	-
b) decreases relating to	**336,153**	**70.25**	-	-
– coverage of loss for previous years	**336,153**	**70.25**	-	-
5.3. Accumulated loss from previous years at beginning of period	**15,212,542**	**3,179.31**	13,704,497	2,626.03
– adjustment of errors	-	-	-	-
5.4. Adjusted accumulated loss from previous years	**15,212,542**	**3,179.31**	13,704,497	2,626.03
a) increases relating to	-	-	1,508,045	288.97
b) decreases relating to	**336,153**	**70.25**	-	-
– coverage of loss from previous years from profit	**336,153**	**70.25**	-	-
5.5. Accumulated loss from previous years at end of period	**14,876,389**	**3,109.06**	15,212,542	2,915.00
5.6. Accumulated profit (loss) from previous years at end of period	**(14,876,389)**	**(3,109.06)**	(15,212,542)	(2,915.00)
6. Net profit/loss	**4,047,153**	**845.83**	336,153	64.41
a) net profit	**4,047,153**	**845.83**	336,153	64.41
b) net loss	-	-	-	-
II. Equity at end of period (Closing Balance)	**6,675,763**	**1,395.19**	2,628,611	503.69
III. Equity after proposed distribution of profit (coverage of loss)	-	-	-	-

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9. Corporate Income Tax (CIT)

Position			Current year			Previous year		
			Total	Capital gains	Other	Total	Capital gains	Other
A	**Gross profit (loss) (F+G-H)**	**Legal basis (CIT Act)**	**3 649 510,71**			-118 988,36		
B	**Tax-free income (permanent differences between profit / loss for accounting purposes and income / loss for tax purposes), including:**		**2 356,56**	**0,00**	**2 356,56**	2 356,56	0,00	2 356,56
	settlement of a redeemed loan for the purchase of fixed assets	(Article 17, Paragraph 21)	**2 356,56**	**0,00**	**2 356,56**	2 356,56	0,00	2 356,56
C	**Revenues not subject to taxation in the current year, including:**		**797 156,08**	**0,00**	**797 156,08**	461 049,45	0,00	461 049,45
	non-invoiced revenues from long-term contracts	(Article 12, Paragraph 3-3g)	**0,00**	**0,00**	**0,00**	0,00	0,00	0,00
	write-off of negative goodwill	(Article 16c, Point 4)	**418 023,00**	**0,00**	**418 023,00**	418 023,00	0,00	418 023,00
	unrealised foregin exchange income	(Article 15a)	**175 646,44**	**0,00**	**175 646,44**	43 026,45	0,00	43 026,45
	inventory write-downs - reversal	(Article 16, Paragraph 1, Point 26a)	**203 486,64**	**0,00**	**203 486,64**	0,00	0,00	0,00
D	**Taxable income in the current year, recognized in the accounting books of previous years, including:**		**1 930 750,00**	**0,00**	**1 930 750,00**	567 605,00	0,00	567 605,00
	long-term contracts (last year's revenue invoiced in the current year)	(Article 12, Paragraph 3-3g)	**0,00**	**0,00**	**0,00**	567 605,00	0,00	567 605,00
	future revenues invoiced in current year	(Article 12, Paragraph 3-3g)	**1 930 750,00**	**0,00**	**1 930 750,00**	0,00	0,00	0,00
E	**Costs not constituting tax deductible costs (permanent differences between profit / loss for accounting purposes and income / loss for tax purposes), including:**		**351 338,64**	**0,00**	**351 338,64**	380 715,05	0,00	380 715,05
	representation costs, in particular incurred for catering services, purchase of food and beverages, including alcoholic beverages	(Article 16, Paragraph 1, Point 28)	**69 948,63**	**0,00**	**69 948,63**	71 577,01	0,00	71 577,01
	costs of using vehicles that are not the property of the company	(Article 16, Paragraph 1, Point 51)	**43 616,00**	**0,00**	**43 616,00**	76 938,64	0,00	76 938,64
	interest on leasing	(Article 16, Paragraph 1, Point 11)	**54 323,71**	**0,00**	**54 323,71**	30 064,61	0,00	30 064,61
	write-offs updating the value of receivables	(Article 16, Paragraph 1, Point 26a)	**170 254,20**	**0,00**	**170 254,20**	199 073,15	0,00	199 073,15
	the loss arose as a result of liquidation of fixed assets and intangible assets	(Article 16, Paragraph 1, Point 6)	**0,00**	**0,00**	**0,00**	0,00	0,00	0,00
	contributions to organizations to which the taxpayer's membership is not compulsory	(Article 16, Paragraph 1, Point 37)	**0,00**	**0,00**	**0,00**	0,00	0,00	0,00
	other values (sum of items, each of which is less than PLN 20,000)	(Article 15)	**13 196,10**	**0,00**	**13 196,10**	3 061,64	0,00	3 061,64
F	**Costs not recognized as tax deductible costs in the current year, including:**		**2 200 744,38**	**0,00**	**2 200 744,38**	1 696 752,68	0,00	1 696 752,68
	the difference between tax depreciation and accounting depreciation (tax < accounting)	(Article 15, Paragraph 6)	**697 126,41**	**0,00**	**697 126,41**	661 442,67	0,00	661 442,67

Position			Current year			Previous year		
			Total	Capital gains	Other	Total	Capital gains	Other
	inventory write-downs	(Article 16, Paragraph 1, Point 26a)	**0,00**	**0,00**	**0,00**	294 618,99	0,00	294 618,99
	Social Security Institution contributions accrued unpaid in the current year	(Article 16, Paragraph 1, Point 57a)	**322 990,82**	**0,00**	**322 990,82**	314 812,94	0,00	314 812,94
	accrued but unpaid or redeemed interest on liabilities, including also on loans (credits)	(Article 16, Paragraph 1, Point 11)	**1 096 516,57**	**0,00**	**1 096 516,57**	289 085,00	0,00	289 085,00
	unrealised foregin exchange loss	(Article 15a)	**0,00**	**0,00**	**0,00**	0,00	0,00	0,00
	change in the provision for pension, holidays, bonuses	(Article 16, Paragraph 1, Point 27)	**79 254,18**	**0,00**	**79 254,18**	134 550,75	0,00	134 550,75
	unpaid remuneration under civil law contracts relating to March last year, paid in the following year	(Article 16, Paragraph 1, Point 57)	**3 875,60**	**0,00**	**3 875,60**	2 242,33	0,00	2 242,33
	unrealised foregin exchange income - reversal	(Article 15a)	**980,80**	**0,00**	**980,80**	0,00	0,00	0,00
G	**Costs recognized as tax deductible costs in the current year recognized in the books of previous years, including:**		**428 795,66**	**0,00**	**428 795,66**	338 086,60	0,00	338 086,60
	leasing installments paid (operational leasing converted into financial leasing) + initial payment	(Article 17b, Paragraph 1)	**108 712,02**	**0,00**	**108 712,02**	90 438,15	0,00	90 438,15
	Social Security Institution contributions relating to the previous year, paid in the current year	(Article 15, Paragraph 4h)	**314 812,94**	**0,00**	**314 812,94**	242 377,75	0,00	242 377,75
	remuneration paid under civil law contracts relating to last March, and paid in April this year	(Article 15, Paragraph 4g)	**5 270,70**	**0,00**	**5 270,70**	5 270,70	0,00	5 270,70
H	**Strata z lat ubiegłych, w tym:**		**6 904 035,43**			1 724 591,76		
	loss for 2017 not more than 50%	(Article 7, Paragraph 5)	**0,00**			155 421,35		
	loss for 2018 not more than 50%	(Article 7, Paragraph 5)	**1 914 376,85**			1 569 170,41		
	loss for 2019 not more than 5 mln PLN	(Article 7, Paragraph 5)	**4 989 658,58**			0,00		
J	**Income tax base**		**0,00**			0,00		
K	**Corporate Income Tax**		**0,00**			0,00		

10. Additional information

Note 1 Cash and other cash assets

Note 2 Cash and other cash assets (currency structure)

Note 3 Share capital ownership structure and number and nominal value of subscribed shares

Note 4 Proposed distribution of profit or coverage of loss for the year

Note 5 Long-term liabilities – ageing

Note 6 Breakdown of balance sheet assets

Note 7 Breakdown of balance sheet liabilities

Note 8 Contingent liabilities to other parties (by title)

Note 9 Provisions for doubtful debts

Note 10 Settlement of main items differentiating income tax base from gross financial result (profit, loss)

Note 11 Change in deferred income tax assets

Note 12 Change in provision for deferred income tax

Note 13 Provisions

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Note 14 Information about transactions with related parties

Note 15 Information about the entity preparing the consolidated financial statements at the highest level of the group in which the company is a subsidiary

Note 16 Information about the entity preparing the consolidated financial statements at the lowest level of the group in which the company is a subsidiary

Note 17 Exchange rates used to value financial statements items expressed in foreign currencies

Note 18 Breakdown of cash for the statement of cash flows

Note 19 Nature and economic objective of concluded agreements not included in the balance sheet to the extent necessary to assess their effect on the company's financial position and financial result

Note 20 Average employment in the financial year by occupational group

Note 21 Remuneration due or paid out to members of the company's management, supervisory and administrative organs for the financial year

Note 22 Fee to certified auditor or entity authorized to audit financial statements, paid out or due for the financial year

Note 23 Information about significant events that occurred after the balance sheet date and have not been included in the financial statements, and about their effect on the company's financial position and financial result

Note 24 Threats to going concern

Note 25 Net revenue from the sale of goods for resale and finished products by type and territory

Note 26 Costs by nature and costs of producing goods for the entity's own needs

Note 27 Other operating revenue

Note 28 Other operating costs

Note 29 Selected financial revenue

Note 30 Selected financial costs

Note 31 Prepayments and accruals

Note 32 Changes in tangible fixed assets

Note 33 Expenses for non-financial fixed assets incurred in the financial year and planned for the coming year

Note 34 Inventory

Note 34a Inventory - write offs

Note 35 Finance leases at the lessee

Note 36 Ownership of tangible fixed assets

Note 37 Ageing of short-term receivables

Note 38 Short-term receivables from related parties (ownership structure)

Note 39 Short-term receivables (currency structure)

Note 40 Long-term liabilities to the holding company – ageing

Note 41 Long-term liabilities (currency structure)

Note 42 Short-term liabilities to holding company

Note 43 Short-term liabilities to other companies

Note 44 Short-term liabilities (currency structure)

Note 45 Short-term liabilities relating to credits and loans

Note 46 Changes in intangible fixed assets

Note 47 Cost of fixed assets under construction, including interest and foreign exchange differences that increase the cost of fixed assets under construction

Note 48 Special funds

Note 49 Cost settlement data

Note 50 Accumulated profit (loss) from previous years

Note 51 Changes in reserve capital

Note 52 Financial risk factors and the management of financial risk

Note 53 Financial instruments - Characteristics of financial instruments, including those not measured at fair value

Note 54 Financial instruments - Interest income arising from financial assets

Note 55 Financial instruments - Interest expense arising from financial liabilities

Note 56 Financial instruments - Information on interest rate risk and credit risk

Note 1

Cash and other cash assets

	31.03.2024	31.03.2023
1. Cash in hand	2 488,49	6 177,75
2. Cash at bank - split payment VAT account	592 414,98	198 351,88
3. Cash at bank	4 188 294,27	2 344 407,79
4. Other cash	200,00	0,00
5. Other cash assets	0,00	0,00
Total	**4 783 397,74**	**2 548 937,42**

Comments:

Cash with limited disposal consists of:

- funds accumulated on the VAT account in the amount of PLN 592,414.98,
- funds accumulated in the Social Fund account in the amount of PLN 166,147.33.

Note 2

Cash and other cash assets (currency structure)

Investment	Amount in PLN	Amount in EUR	Translated from EUR to PLN	Amount in USD	Translated from USD to PLN	Amount in DKK	Translated from DKK to PLN	Total cash and other cash assets in PLN
Cash in hand and at bank	2 700 732,32	480 694,78	2 067 420,18	246,21	982,03	24 389,89	14 063,21	4 783 197,74
Other cash	200,00	0,00	0,00	0,00	0,00	0,00	0,00	200,00
Other cash assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	**2 700 932,32**	**480 694,78**	**2 067 420,18**	**246,21**	**982,03**	**24 389,89**	**14 063,21**	**4 783 397,74**

Note 3

Share capital ownership structure and number and nominal value of subscribed shares

Share capital ownership structure (shareholders holding at least 5% of shares)	Series	Registration date	How covered	Right to dividend (starting date)	Number of shares	Number of votes	Share issue price	Nominal value of shares (in PLN)	% of share capital*
1. Share capital - Danstoker AS		28.03.2017	fully paid		100,00	100,00	50,00	5 000,00	100%
of which preferred					0	0,00	0,00	0,00	0,00
Total					**100,00**	**100,00**		**5 000,00**	**100%**

* share in the share capital corresponds to the share in the total number of votes

Note 4

Proposed distribution of profit or coverage of loss for the year

	31.03.2024	31.03.2023
NET PROFIT/LOSS	**4 047 152,71**	336 152,64
Reserve capital (+/-)	**0,00**	0,00
Other reserves (+/-)	**0,00**	0,00
Company Employee Social Benefits Fund	**0,00**	0,00
Shareholder dividends (interest on capital)	**0,00**	0,00
Bonuses from profit	**0,00**	0,00
Social causes	**0,00**	0,00
Reduction in share capital	**0,00**	0,00
Shareholder contributions (if provided for in the articles of association)	**0,00**	0,00
Coverage of losses from previous years	**4 047 152,71**	336 152,64
Coverage of losses from future profits	**0,00**	0,00

* Distribution of the profit (coverage of loss)

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Note 5
Long-term liabilities – ageing

	1. To related parties	2. To related parties in which the company has invested capital	3. To other parties						Total
			Total (a-e)	a) credits and loans	b) debt securities	c) other financial liabilities	d) promissory notes	e) other	
Repayment period									
up to 1 year									
beginning of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
end of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
from 1 to 3 years									
beginning of period	0,00	0,00	411 172,28	0,00	0,00	411 172,28	0,00	0,00	411 172,28
end of period	0,00	0,00	351 249,36	0,00	0,00	351 249,36	0,00	0,00	351 249,36
from 3 to 5 years									
beginning of period	0,00	0,00	65 371,53	0,00	0,00	65 371,53	0,00	0,00	65 371,53
end of period	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
more than 5 years									
beginning of period	16 186 577,24	0,00	0,00	0,00	0,00	0,00	0,00	0,00	16 186 577,24
end of period	12 143 030,91	0,00	0,00	0,00	0,00	0,00	0,00	0,00	12 143 030,91
Total									
beginning of period	16 186 577,24	0,00	476 543,81	0,00	0,00	476 543,81	0,00	0,00	16 663 121,05
end of period	12 143 030,91	0,00	351 249,36	0,00	0,00	351 249,36	0,00	0,00	12 494 280,27

Note 6
Breakdown of balance sheet assets

Item	Gross amount in the financial year	Revaluation write downs	Gross amount in the previous year	Revaluation write downs
1. Receivables from related parties	**1 238 077,41**	**0,00**	**1 760 155,53**	**0,00**
a) long-term	0,00	0,00	0,00	0,00
– credits and loans	0,00	0,00	0,00	0,00
– security deposits	0,00	0,00	0,00	0,00
– debt securities	0,00	0,00	0,00	0,00
– other receivables	0,00	0,00	0,00	0,00
b) short-term	1 238 077,41	0,00	1 760 155,53	0,00
– credits and loans	0,00	0,00	0,00	0,00
– security deposits	0,00	0,00	0,00	0,00
– debt securities	0,00	0,00	0,00	0,00
– trade receivables with due dates:	1 238 077,41	0,00	1 760 155,53	0,00
– within 12 months	1 238 077,41	0,00	1 760 155,53	0,00
– in more than 12 months	0,00	0,00	0,00	0,00
– other receivables	0,00	0,00	0,00	0,00
2. Receivables from other parties in which the company has invested	**0,00**	**0,00**	**0,00**	**0,00**
a) long-term	0,00	0,00	0,00	0,00
– credits and loans	0,00	0,00	0,00	0,00
– security deposits	0,00	0,00	0,00	0,00
– debt securities	0,00	0,00	0,00	0,00
– other receivables	0,00	0,00	0,00	0,00
b) short-term	0,00	0,00	0,00	0,00
– credits and loans	0,00	0,00	0,00	0,00
– security deposits	0,00	0,00	0,00	0,00
– debt securities	0,00	0,00	0,00	0,00
- trade payables with due dates	0,00	0,00	0,00	0,00
– within 12 months	0,00	0,00	0,00	0,00
– in more than 12 months	0,00	0,00	0,00	0,00
– other receivables	0,00	0,00	0,00	0,00
3. Receivables from other parties	**3 087 052,20**	**768 440,37**	**3 506 914,08**	**598 186,17**
a) long-term	0,00	0,00	0,00	0,00
– credits and loans	0,00	0,00	0,00	0,00
– security deposits	0,00	0,00	0,00	0,00
– debt securities	0,00	0,00	0,00	0,00
– other receivables	0,00	0,00	0,00	0,00
b) short-term	3 087 052,20	768 440,37	3 506 914,08	598 186,17
– credits and loans	0,00	0,00	0,00	0,00
– security deposits	0,00	0,00	0,00	0,00
– debt securities	0,00	0,00	0,00	0,00
– trade payables with due dates:	2 989 631,68	768 440,37	3 149 941,78	598 186,17
– within 12 months	2 989 631,68	768 440,37	3 149 941,78	598 186,17
– in more than 12 months	0,00	0,00	0,00	0,00
– tax, subsidy, customs, social and health insurance and other public	80 068,52	0,00	337 336,13	0,00
– other receivables	17 352,00	0,00	19 636,17	0,00
– receivables in court	0,00	0,00	0,00	0,00

Note7

Breakdown of balance sheet liabilities

Breakdown	Amount in the Financial Year	Amount in Previous Year
1. Liabilities to related parties	**12 956 862,00**	**18 401 618,83**
a) long-term	12 143 030,91	16 186 577,24
– credits and loans	12 143 030,91	16 186 577,24
– debt securities	0,00	0,00
– other financial liabilities	0,00	0,00
– promissory notes	0,00	0,00
– other	0,00	0,00
b) short-term	813 831,09	2 215 041,59
– credits and loans	0,00	0,00
– debt securities	0,00	0,00
– other financial liabilities	0,00	0,00
– promissory notes	0,00	0,00
– trade payables with due dates	813 831,09	2 215 041,59
– within 12 months	813 831,09	2 215 041,59
– in more than 12 months	0,00	0,00
– other	0,00	0,00
2. Liabilities to other parties in which the company has invested capital	**0,00**	**0,00**
a) long-term	0,00	0,00
– credits and loans	0,00	0,00
– debt securities	0,00	0,00
– other financial liabilities	0,00	0,00
– promissory notes	0,00	0,00
– other	0,00	0,00
b) short-term	0,00	0,00
– credits and loans	0,00	0,00
– debt securities	0,00	0,00
– other financial liabilities	0,00	0,00
– promissory notes	0,00	0,00
– trade payables with due dates	0,00	0,00
– within 12 months	0,00	0,00
– in more than 12 months	0,00	0,00
– other	0,00	0,00
3. Liabilities to other parties	**8 458 950,18**	**12 544 790,62**
a) long-term	351 249,36	476 543,81
– credits and loans	0,00	0,00
– debt securities	0,00	0,00
– other financial liabilities	351 249,36	476 543,81
– promissory notes	0,00	0,00
– other	0,00	0,00
b) short-term	8 107 700,82	12 068 246,81
– credits and loans	0,00	0,00
– debt securities	0,00	0,00
– other financial liabilities	123 807,13	128 083,30
– trade payables with due dates	4 132 014,05	6 277 563,26
– within 12 months	4 132 014,05	6 277 563,26
– in more than 12 months	0,00	0,00
– advances received for deliveries	1 923 279,19	4 360 562,26
– promissory notes	0,00	0,00
– tax, subsidy, customs, social and health insurance and other public payables	1 241 004,30	709 990,70
– payroll	658 486,00	591 782,65
– other	29 110,15	264,64

Note 8

Contingent liabilities to other parties (by title)

Comment:

Not applicable

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Note 9

Provisions for doubtful debts

Type of receivable	Changes in provisions during the financial year				
	Opening balance	Increases	Use	Releases	Closing balance
receivables written off - WEISS A/S Dania	188 265,65	0,00	0,00	0,00	188 265,65
receivables written off - KM Sp. z o.o.	80 684,01	0,00	0,00	0,00	80 684,01
receivables written off - BEHRENDT	130 000,00	129 122,72	0,00	0,00	259 122,72
receivables written off - TMS	40 847,37	0,00	0,00	0,00	40 847,37
receivables written off - IS SaveEnergy AG	158 389,14	0,00	0,00	0,00	158 389,14
receivables written off - TAWI Sp. z o.o.	0,00	18 092,93	0,00	0,00	18 092,93
receivables written off - CES Sp. z o.o.	0,00	23 038,55	0,00	0,00	23 038,55
Total	**598 186,17**	**170 254,20**	**0,00**	**0,00**	**768 440,37**

Note 10

Settlement of main items differentiating income tax base from gross financial result (profit, loss) gross

	01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
Gross PROFIT/LOSS	**3 649 510,71**	**-118 988,36**
Non-tax deductible costs	**3 228 961,21**	**2 762 232,43**
– provision for doubtful debts	170 254,20	199 073,15
– inventory write-down	0,00	294 618,99
– unpaid wages and salaries	3 875,60	2 242,33
– unpaid ZUS premiums	322 990,82	314 812,94
– interest to the budget	187,39	1 027,00
– interest payable	1 096 516,57	289 085,00
– contributions to PFRON	80,00	256,00
– provision for unused holidays	79 254,18	134 550,75
– positive exchange differences from the balance sheet valuation	980,80	0,00
– representation	69 948,63	71 577,01
– other non-tax costs	110 868,42	108 781,89
– balance sheet depreciation	1 374 004,60	1 346 207,37
Non-accounting taxable costs	**1 105 673,85**	**1 022 851,30**
– tax depreciation	676 878,19	684 764,70
– leasing fees	108 712,02	90 438,15
– paid previous year social insurance	314 812,94	242 377,75
– UCP remuneration paid, accrued in the previous year	5 270,70	5 270,70
Non-taxable accounting revenue	**799 512,64**	**463 406,01**
– release of the write-down on inventories	203 486,64	0,00
– loan write-off	2 356,56	2 356,56
– positive exchange differences from the balance sheet valuation	175 646,44	43 026,45
– badwill write-off	418 023,00	418 023,00
Non-accounting taxable revenue	**1 930 750,00**	**567 605,00**
- long-term contracts (last year's revenue invoiced in the current year)	0,00	567 605,00
– revenues invoiced in the current year relating to future periods	1 930 750,00	
Deduction from income	**-6 904 035,43**	**-1 724 591,35**
– loss for 2017 not more than 50%	0,00	-155 421,35
– loss for 2018 not more than 50%	-1 914 376,85	-1 569 170,00
– loss for 2019 not more than 5 mln zł	-4 989 658,58	0,00
Tax base	**0,00**	**0,00**
Current income tax, of which:	**0,00**	**0,00**
– income tax on discontinued operations	0,00	0,00
Tax deducted by payer from paid out dividend	**0,00**	**0,00**
Change in deferred income tax assets	299 864,00	325 424,00
Change in provisions for deferred income tax	-97 778,00	-129 717,00
Tax liability listed in the profit and loss account	**-397 642,00**	**-455 141,00**

Note 11
Change in deferred income tax assets

	01.04.2023-31.03.2024	01.04.2022-31.03.2023
1. Deferred income tax assets at beginning of period, of which:	**1 686 013,00**	**1 360 589,00**
a) charged to financial result at net amount	1 686 013,00	1 360 589,00
– gross amount	1 686 013,00	1 360 589,00
b) charged to equity	0,00	0,00
c) charged to goodwill or negative goodwill	0,00	0,00
2. Increases	**1 985 877,00**	**1 686 013,00**
a) charged to financial result for the period in connection with negative temporary differences	1 065 776,00	504 604,00
– receivables write down	146 004,00	113 655,00
– provision for unused annual leave	84 090,00	69 031,00
– unpaid remuneration	736,00	426,00
– accrued and unpaid interest	299 159,00	90 821,00
– inventory write-down	17 315,00	55 978,00
– surplus of invoiced receivables over realized revenues	366 843,00	0,00
– unpaid social insurance	61 368,00	59 814,00
– lease liabilities	90 261,00	114 879,00
b) charged to financial result for the period in connection with tax loss (relating to)	920 101,00	1 181 409,00
– loss 2021	304 159,00	152 079,00
– loss 2020	561 180,00	288 643,00
– loss 2018/19	54 762,00	740 687,00
c) charged to equity in connection with negative temporary differences	0,00	0,00
d) charged to equity in connection with tax loss (relating to)	0,00	0,00
e) charged to goodwill or negative goodwill in connection with negative temporary differences	0,00	0,00
3. Decreases	**1 686 013,00**	**1 360 589,00**
a) charged to financial result for the period in connection with negative temporary differences (relating to)	504 604,00	234 900,00
– unpaid social insurance	59 814,00	46 052,00
– provision for unused annual leave	69 031,00	43 467,00
– provision for receivables	113 655,00	75 831,00
– inventory write-down	55 978,00	0,00
– unrealised foreign exchange differences	0,00	7 989,00
– unpaid remuneration	426,00	1 001,00
– lease liabilities	114 879,00	35 370,00
– accrued and unpaid interest	90 821,00	25 190,00
b) charged to financial result for the period in connection with tax loss (relating to)	1 181 409,00	1 125 689,00
– loss 2021	152 079,00	152 177,00
– loss 2020	288 643,00	163 272,00
– loss 2018/19	740 687,00	780 710,00
– previous years losses	0,00	29 530,00
– write-downs on deferred income tax assets	0,00	0,00
c) charged to equity in connection with negative temporary differences (relating to)	0,00	0,00
d) charged to equity in connection with tax loss (relating to)	0,00	0,00
e) charged to goodwill or negative goodwill in connection with negative temporary differences (relating to)	0,00	0,00
4. Total deferred income tax assets at end of period, of which:	**1 985 877,00**	**1 686 013,00**
a) charged to financial result	1 985 877,00	1 686 013,00
– gross amount	1 985 877,00	1 686 013,00
b) charged to equity	0,00	0,00
c) charged to goodwill or negative goodwill	0,00	0,00
5. Presumable value of deferred income tax assets associated with investments in subsidiary, co-subsidiary and associated entities, the calculation of which is not possible (points 16.8. and 16.12.KSR 2). In this case, information is also given about the value of temporary differences relating to these investments.	**0,00** / **0,00**	**0,00** / **0,00**
6. Reasons for which the company has not revalued its deferred income tax assets	**0,00**	**0,00**
7. Total amount of temporary differences relating to investments, for which no provisions for deferred income tax have been formed, of which:	**0,00**	**0,00**
– in subordinated entities	0,00	0,00
– in branches	0,00	0,00
– in joint ventures	0,00	0,00

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Note 12

Change in provision for deferred income tax

	01.04.2023-31.03.2024	01.04.2022-31.03.2023
1. Provision for deferred income tax at beginning of period, of which:	**2 565 534,00**	**2 695 251,00**
a) charged to financial result	-179 902,39	-50 185,39
b) charged to equity	277 442,00	277 442,00
c) charged to goodwill or negative goodwill	2 467 994,39	2 467 994,39
2. Increases	**33 187,00**	**78 088,00**
a) charged to financial result for the period due to positive temporary differences (relating to)	33 187,00	78 088,00
– exchange differences	33 187,00	186,00
– leased fixed assets	0,00	77 902,00
– non-invoiced revenues from long-term contracts	0,00	0,00
b) charged to equity due to positive temporary differences (relating to)	0,00	0,00
c) charged to goodwill or negative goodwill due to positive temporary differences (relating to)	0,00	0,00
3. Decreases	**130 965,00**	**207 805,00**
a) charged to financial result for the period due to positive temporary differences (relating to)	130 965,00	207 805,00
– difference in fixed asstes valuation for tax and balance sheet purpose	103 547,00	99 960,00
– leased fixed assets	27 418,00	0,00
– non-invoiced revenues from long-term contracts	0,00	107 845,00
b) charged to equity due to positive temporary differences (relating to)	0,00	0,00
c) charged to goodwill or negative goodwill due to positive temporary differences (relating to)	0,00	0,00
4. Total provision for deferred income tax at end of period, of which:	**2 467 756,00**	**2 565 534,00**
a) charged to financial result	-277 680,39	-179 902,39
b) charged to equity	277 442,00	277 442,00
c) charged to goodwill or negative goodwill	2 467 994,39	2 467 994,39
5. Presumable value of provisions for deferred income tax associated with investments in subsidiary, co-subsidiary and associated entities, the calculation of which is not possible (point 16.8. and 16.12. KSR 2). In this case, information is also given about the value of temporary differences relating to these investments.	**0,00**	**0,00**

Note 13

Provisions

	Opening balance	Increases	Use	Releases	Closing balance
1. For deferred income tax	**2 565 534,00**	**33 187,00**	**0,00**	**130 965,00**	**2 467 756,00**
2. For retirement and similar benefits, of which:	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
a) long-term	0,00	0,00	0,00	0,00	0,00
b) short-term	0,00	0,00	0,00	0,00	0,00
3. Other provisions, of which:	**543 032,80**	**110 251,01**	**179 709,86**	**0,00**	**473 573,95**
a) long-term	0,00	0,00	0,00	0,00	0,00
b) short-term	543 032,80	110 251,01	179 709,86	0,00	473 573,95
– unused annual leave	363 322,94	79 254,18	0,00	0,00	442 577,12
– accruals for not invoiced costs, audit, bonuses	179 709,86	30 996,83	179 709,86	0,00	30 996,83
Total	**3 108 566,80**	**143 438,01**	**179 709,86**	**130 965,00**	**2 941 329,95**

Note 14

Information about transactions with related parties

Transaction description	Company name	01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
Sales of products	Danstoker A/S	10 736 934,83	3 245 879,42
Sales of services	Danstoker A/S	1 837 563,40	2 933 398,76
Sales of materials	Danstoker A/S	187 968,80	128 442,27
Loan repayment	Danstoker A/S	5 140 062,90	0,00
Total:		**17 902 529,93**	**6 307 720,45**
Purchase of materials	Danstoker A/S	2 093 203,85	3 141 621,90
Purchase of services	Danstoker A/S	41 634,66	51 806,84
Purchase of IT services and licences	Danstoker A/S	240 389,36	286 934,66
Purchase of fixed assets	Danstoker A/S	0,00	63 180,76
Loan and interests	Danstoker A/S	1 096 516,57	5 131 427,42
Total:		**3 471 744,44**	**8 674 971,58**

Transaction description	Company name	01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
Business development services	Thermax	81 849,13	342 299,22
Total:		**81 849,13**	**342 299,22**

Note 15

Information about the entity preparing the consolidated financial statements at the highest level of the group in which the company is a subsidiary

Name and registered office	Location where the consolidated financial statements may be accessed
Thermax Ltd., Pune, India	Thermax Limited D-13, MIDC Industrial Area, R D Aga Road, Chinchwad, Pune 411019; www.thermaxglobal.com

Note 16

Information about the entity preparing the consolidated financial statements at the lowest level of the group in which the company is a subsidiary

Name and registered office	Location where the consolidated financial statements may be accessed
Danstokar A/S, Herning, Denmark	Danstoker A/S Industrivej Nord 13 7400 Herning DENMARK; www.cvr.dk

Note 17

Exchange rates used to value financial statements items expressed in foreign currencies

Currency	Exchange rate for the reporting period	Exchange rate for the previous period
EUR	4,3009	4,6755
USD	3,9886	4,2934
GBP	5,0300	5,3107
DKK	0,5766	0,6277

Note 18

Breakdown of cash for the statement of cash flows

Item A.II.3. Interest and shares in profits (dividends)	31.03.2024	31.03.2023
Interest on deposits in excess of 3 months	0,00	0,00
Interest on loans	0,00	0,00
Interest on credits	0,00	0,00
Dividends received and booked	0,00	0,00
Dividends paid and booked	0,00	0,00
Other interest	1 150 840,28	319 149,61
Total interest	**1 150 840,28**	**319 149,61**

Item A.II.5. Changes in cost provisions	31.03.2024	31.03.2023
Provision for deferred income tax	2 467 756,00	2 565 534,00
Provision for retirement and similar benefits	0,00	0,00
Other provisions	473 573,95	543 032,80
Total	**2 941 329,95**	**3 108 566,80**
Change in value	**-167 236,85**	**123 101,93**

Item A.II.6. Changes in inventory	31.03.2024	31.03.2023
Total inventory	10 467 956,65	14 813 653,50
Purchase costs	0,00	0,00
Revaluation	0,00	0,00
Total	**10 467 956,65**	**14 813 653,50**
Change in value, of which:	**4 345 696,85**	**-4 485 760,90**
Change in the value of a non-cash contribution received(-)/made(+) in the form of current assets (inventory)	0,00	0,00

Item A.II.7. Changes in receivables	31.03.2024	31.03.2023
Long-term receivables	0,00	0,00
Short-term receivables from related parties	1 238 077,41	1 760 155,53
Short-term receivables from other parties in which the company has invested capital	0,00	0,00
Short-term receivables from other parties	2 318 611,83	2 908 727,91
Total receivables	**3 556 689,24**	**4 668 883,44**
Change in receivables	**1 112 194,20**	**-1 437 720,58**

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Item A.II.8. Change in short-term liabilities, excluding credits and loans	31.03.2024	31.03.2023
Short-term liabilities to related parties	813 831,09	2 215 041,59
Short-term liabilities to other parties in which the company has invested capital	0,00	0,00
Short-term liabilities to other parties	7 983 893,69	11 940 163,51
Special funds	13 127,07	51 232,34
Total liabilities, of which:	**8 810 851,85**	**14 206 437,44**
Liabilities relating to the purchase of tangible and intangible fixed assets	77 980,76	63 180,76
Liabilities relating to investments in real estate and intangibles	0,00	0,00
Other liabilities relating to investment activities	0,00	0,00
Total liabilities relating to investment activities	**77 980,76**	**63 180,76**
Liabilities relating to the purchase of treasury (own) shares	0,00	0,00
Liabilities relating to dividends and other payments to shareholders	0,00	0,00
Liabilities relating to the distribution of profit, other than payments to shareholders	0,00	0,00
Liabilities relating to debt securities	0,00	0,00
Other financial liabilities	0,00	0,00
Liabilities relating to finance lease agreements	0,00	0,00
Liabilities relating to credits and loans	0,00	0,00
Total liabilities from financing activities	**0,00**	**0,00**
Liabilities relating to income tax charged directly to equity	**0,00**	**0,00**
Liabilities relating to operating activities	**8 732 871,09**	**14 143 256,68**
Change in liabilities	**-5 410 385,59**	**1 640 178,83**

Item A.II.9. Change in prepayments and accruals	31.03.2024	31.03.2023
Long-term prepayments	1 985 877,00	1 686 013,00
Short-term prepayments	227 605,70	187 442,27
Total	**2 213 482,70**	**1 873 455,27**
1. Change in value	**-340 027,43**	**112 571,05**
Negative goodwill	8 255 955,26	8 673 978,26
Long-term accruals	0,00	0,00
Short-term accruals	1 938 015,68	9 622,24
Total	**10 193 970,94**	**8 683 600,50**
2.Change in value	**1 510 370,44**	**-420 379,56**
Total change in prepayments and accruals (1+2)	**1 170 343,01**	**-307 808,51**

Item A.II.10. Other adjustments	31.03.2024	31.03.2023
Conversion of a trade payables into a long-term loan	0,00	4 842 342,42
Settlement of long-term loan liabilities with receivables	-5 140 062,90	0,00
Total	**-5 140 062,90**	**4 842 342,42**
Change in value	**-5 140 062,90**	**4 842 342,42**

Item E. Net change in cash balances	31.03.2024	31.03.2023
Cash in hand	2 488,49	6 177,75
Cash at bank	4 780 709,25	2 542 759,67
Bank deposits for up to 3 months	0,00	0,00
Cash equivalents, of which:	0,00	0,00
– checks	0,00	0,00
– promissory notes	0,00	0,00
– other	0,00	0,00
Total cash and cash equivalents	**4 783 197,74**	**2 548 937,42**
Change in cash and cash equivalents	**2 234 260,32**	**2 115 089,13**
Balance sheet valuation of cash	5 956,85	-5 215,35
Change in cash relating to foreign exchange differences	**5 956,85**	**-5 215,35**
Restricted cash	**758 562,31**	**300 120,16**

Note 19

Nature and economic objective of concluded agreements not included in the balance sheet to the extent necessary to assess their effect on the company's financial position and financial result

Comments:
Has not occurred

Note 20

Average employment in the financial year by occupational group

	Average number of employees in the financial year	Average number of employees in the previous year
Total, of which:	121,08	112,49
– white collar (in non-labor positions)	36,73	32,20
– blue collar (in labor positions)	84,35	80,29
– apprentices	0,00	0,00
– home-based workers	0,00	0,00
– employees on parental or unpaid leave	0,00	0,00

Note 21

Remuneration due or paid out to members of the company's management, supervisory and administrative organs for the financial year

Comments
Has not occurred. Board Members do not receive remuneration.

Note 22

Fee to certified auditor or entity authorized to audit financial statements, paid out or due for the financial year

Item	Date of agreement relating to the reporting period	Duration of agreement relating to the reporting period	01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
Mandatory audit of financial statements			43 937,40	43 937,40
Other assurance services			0,00	0,00
Tax advisory service			0,00	0,00
Consolidated financial statements			0,00	0,00
Other services			61 308,00	80 654,00
Total			**105 245,40**	**124 591,40**

Note 23

Information about significant events that occurred after the balance sheet date and have not been included in the financial statements, and about their effect on the company's financial position and financial result

Comments
Has not occurred.

Note 24

Threats to going concern

Item	Description
Confirmation of uncertainty with regard to going concern	NO
Description of uncertainties with regard to going concern	NO
Information about adjustments recognized in the financial statements in connection with uncertainty relating to going concern	NO
Description of actions undertaken or planned to eliminate uncertainty with regard to going concern	YES

Remarks:

There is no threat of continuing operations. The company has guaranteed financing from the parent company.

In the financial year, the Company continued to optimize its customer portfolio, which significantly improved the gross financial result. As at the balance sheet date, the value of the order portfolio was PLN 20 million, and another PLN 10 million is in the advanced negotiation phase. Current orders and potential ones that are in the negotiation phase will allow you to eliminate losses caused by downtime in periods with low orders and additional costs generated by the need to work overtime in periods with excessive orders. Despite the ongoing conflict between Russia and Ukraine, the Company notes stabilization on the steel and energy markets. The decline in data published by the Central Statistical Office on the index of changes in consumer goods prices results in less pressure on wage growth. The nature of the Company's business limits an appropriately quick response in the form of an increase in product prices. The company made a detailed analysis of the financial situation in the following years, taking into account potential negative factors. Based on this analysis, no threat to continuing operations was identified.

The company achieved its budget goals and recorded a positive financial result.

The Company's operations are still financed by a loan from the sole shareholder, Danstoker A/S. The current agreement with the main shareholder is for an amount of up to PLN 20,000 thousand. PLN.

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Note 25

Net revenue from the sale of goods for resale and finished products by type and territory

	01.04.2023 - 31.03.2024		01.04.2022 - 31.03.2023	
	from related parties	**from other parties**	**from related parties**	**from other parties**
1. Sales of services (by type)	1 837 563,40	313 496,22	2 995 124,76	1 080 629,92
– services	1 837 563,40	313 496,22	2 995 124,76	1 080 629,92
2. Sales of raw materials (by type)	187 968,80	387 860,49	128 442,27	214 124,87
– materials	187 968,80	387 860,49	128 442,27	214 124,87
3. Sales of goods for resale (by type)	0,00	212 273,00	0,00	1 251 699,27
– goods for resale		212 273,00		1 251 699,27
4. Sales of finished products or other services (by type)	10 736 934,83	35 275 460,88	3 184 153,42	29 298 365,29
– products	10 736 934,83	35 275 460,88	3 184 153,42	29 298 365,29
5. Other sales revenue (by type)	0,00	0,00	0,00	0,00
TOTAL	**12 762 467,03**	**36 189 090,59**	**6 307 720,45**	**31 844 819,35**
of which:				
Sale to domestic customers	270 560,61	32 507 391,15	158 792,17	23 454 983,76
– finished products/services	98 173,07	31 909 857,46	36 491,90	21 989 789,14
– goods for resale	0,00	212 273,00	0,00	1 251 699,27
– materials	172 387,54	385 260,69	122 300,27	213 495,35
Export sales	361 491,00	1 524,21	69 796,00	0,00
– finished products/services	361 491,00	0,00	69 796,00	0,00
– goods for resale	0,00	0,00	0,00	0,00
– materials	0,00	1 524,21	0,00	0,00
EU sales	12 130 415,42	3 680 175,23	6 079 132,28	8 389 835,59
– finished products/services	12 114 834,16	3 679 099,64	6 072 990,28	8 389 206,07
– materials	15 581,26	1 075,59	6 142,00	629,52

Note 26

Costs by nature and costs of producing goods for the entity's own needs

	01.04.2023-31.03.2024	**01.04.2022-31.03.2023**
A. Cost of producing goods for the entity's own needs	**2 937,66**	**0,00**
B. Costs by nature	**40 533 098,97**	**38 025 246,14**
1. Depreciation	1 374 004,60	1 346 207,37
2. Use of materials and energy	19 345 282,01	18 816 384,60
3. Third party services	6 752 965,00	6 034 339,04
4. Taxes and charges, of which:	325 867,11	326 271,23
– excise tax	0,00	0,00
5. Wages and salaries	10 087 855,45	9 140 025,93
6. Social insurance and other employee benefits, of which: 1 866	2 527 145,69	2 229 594,36
– retirement	935 196,40	829 057,68
7. Other costs by nature	119 979,11	132 423,61
C. Cost of goods for resale and raw materials sold	**695 455,07**	**961 690,18**
Total	**41 231 491,70**	**38 986 936,32**

Note 27

Other operating revenue

	01.04.2023-31.03.2024	**01.04.2022-31.03.2023**
I. Released provisions (relating to)	**0,00**	**381,30**
II. Subsidies	**85 585,46**	**0,00**
1) co-financing of training from KFS funds	9 000,00	0,00
2) disabled persons fund	74 228,90	0,00
3) WFOS loan remission	2 356,56	0,00
III. Revaluation of non-financial assets	**0,00**	**0,00**
IV. Other, of which:	**1 269 449,32**	**2 332 217,34**
A. Released provisions (relating to)	**418 023,00**	**418 023,00**
– badwill depreciation	418 023,00	418 023,00
B. Others	**851 426,32**	**1 914 194,34**
1) inventory surplus	838 466,73	1 828 524,37
2) WFOS loan remission	0,00	2 356,56
3) disabled persons fund	0,00	54 381,33
4) other revenues	12 959,59	28 932,08
Total	**1 355 034,78**	**2 332 598,64**

Note 28

Other operating costs

	01.04.2023-31.03.2024	01.04.2022-31.03.2023
I. Provisions recognised	**0,00**	**0,00**
II. Other, including:	**1 075 773,56**	**2 114 996,44**
1) receivables write-down	170 254,20	199 073,15
2) inventory write-down	0,00	91 132,35
3) inventory losses	893 171,30	1 799 397,21
4) disposal costs of non-financial fixed assets	0,00	0,00
5) other operating costs	12 348,06	25 393,73
TOTAL other operating costs	**1 075 773,56**	**2 114 996,44**

Note 29

Selected financial revenue

	01.04.2023-31.03.2024	01.04.2022-31.03.2023
I. Total financial revenue from dividends and shares in profits	**0,00**	**0,00**
a) from related parties, of which:	0,00	0,00
b) from other parties	0,00	0,00
II. Total financial revenue from interest	**0,00**	**0,00**
1) on loans	0,00	0,00
a) from related parties, of which:	0,00	0,00
b) from other parties	0,00	0,00
2) other interest	0,00	0,00
a) from related parties, of which:	0,00	0,00
b) from other parties	0,00	0,00
III. Total other financial revenue	**0,00**	**8 770,62**
1) exchange differences	0,00	8 770,62
– realized foreign exchange gains	0,00	207 746,93
– unrealized foreign exchange gains	0,00	32 551,55
– realized foreign exchange losses	0,00	-242 002,76
– unrealized foreign exchange losses	0,00	10 474,90
2) released provisions (relating to)	0,00	0,00
3) other, of which:	0,00	0,00

Note 30

Selected financial costs

	01.04.2023-31.03.2024	01.04.2022-31.03.2023
I. Total financial interest costs	**1 155 744,33**	**333 274,06**
1) on credits and loans	1 096 516,57	289 085,00
a) to related parties, of which:	1 096 516,57	289 085,00
– to the holding company	1 096 516,57	289 085,00
b) to other parties	0,00	0,00
2) other interest	59 227,76	44 189,06
a) to related parties, of which:	0,00	0,00
b) to other parties	59 227,76	44 189,06
II. Inne koszty finansowe razem	**24 122,01**	**0,00**
1) exchange differences	24 122,01	0,00
– foreign exchange losses realized	-351 241,47	0,00
– foreign exchange losses unrealized	-131 961,12	0,00
– foreign exchange gains realized	550 029,12	0,00
– foreign exchange gains unrealized	-42 704,52	0,00
2) provisions (relating to)	0,00	0,00
3) other, of which:	0,00	0,00

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Note 31

Prepayments and accruals

	01.04.2023-31.03.2024	01.04.2022-31.03.2023
Long-term prepaid expenses, of which:	**1 985 877,00**	**1 686 013,00**
1. Deferred income tax assets, of which:	1 985 877,00	1 686 013,00
– from tax losses, by date on which the right to deduct loss expires	920 101,00	1 181 409,00
– in the year 2026	152 080,00	152 080,00
– in the year 2025	231 964,00	288 643,00
– in the year 2024	536 057,00	270 205,00
– in the year 2023	0,00	470 481,00
– in the year 2022	0,00	0,00
–from unaccounted tax exempt income and unaccounted tax base reductions	0,00	0,00
– from other negative temporary differences, of which among others (please list the greatest):	1 065 776,00	504 604,00
– unpaid social insurance	61 368,00	59 814,00
– provision for receivables	146 004,00	113 655,00
– inventory write-down	17 315,00	55 978,00
– unpaid interests	299 159,00	90 821,00
– unrealized exchange differences	0,00	0,00
– leasing assets	90 261,00	114 879,00
– revenues invoiced in the current year relating to future periods	366 843,00	0,00
– other (unpaid remuneration, provision for annual leave)	84 826,00	69 457,00
2. Total difference between the value of received financial assets and the liability due for them:	0,00	0,00
3. Other	0,00	0,00
Short-term prepayments, of which:	**227 605,70**	**187 442,27**
1. Personal and property insurance	44 205,75	31 426,11
2. Software subscription	181 172,28	153 290,50
3. Service costs prepaid	1 008,94	1 535,38
4. Magazine subscriptions	1 218,73	1 190,28
Accruals, of which:	**10 193 970,94**	**8 683 600,50**
1. Negative goodwill	8 255 955,26	8 673 978,26
Opening balance	8 673 978,26	9 092 001,26
a) increases, of which:	0,00	0,00
b) decreases, of which:	418 023,00	418 023,00
– negative goodwill depreciation	418 023,00	418 023,00
2. Other accruals, of which:	7 265,68	9 622,24
a) long-term, of which:	0,00	0,00
b) short-term, of which:	7 265,68	9 622,24
– WFOS loan remission	7 265,68	9 622,24
3. Deferred income, of which:	1 930 750,00	0,00
a) long-term, of which:	0,00	0,00
b) short-term, of which:	1 930 750,00	0,00
– surplus of invoiced receivables over realized revenues	1 930 750,00	0,00
4. Accruals for construction contracts	0,00	0,00

Note 32

Changes in tangible fixed assets

	Freehold land	Land in perpetual usufruct	Buildings and constructions and separate strata title premises and rights to	Plant and equipment	Vehicles	Other fixed assets	Total	Fixed assets under construction
Gross opening balance	**1 568 581,55**	**0,00**	**20 918 540,19**	**5 404 383,87**	**994 267,46**	**457 814,58**	**29 343 587,65**	**4 593,50**
Increases, of which:	0,00	0,00	0,00	76 844,69	0,00	6 740,47	83 585,16	78 991,66
– acquisition	0,00	0,00	0,00	0,00	0,00	0,00	0,00	78 991,66
– internal transfer	0,00	0,00	0,00	76 844,69	0,00	6 740,47	83 585,16	0,00
– other	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decreases, of which:	0,00	0,00	0,00	0,00	0,00	0,00	0,00	83 585,16
– liquidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– revaluation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– disposal	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– internal transfer	0,00	0,00	0,00	0,00	0,00	0,00	0,00	83 585,16
– other	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gross closing balance	**1 568 581,55**	**0,00**	**20 918 540,19**	**5 481 228,56**	**994 267,46**	**464 555,05**	**29 427 172,81**	**0,00**
Accumulated depreciation at beginning of period	**0,00**	**0,00**	**3 543 417,17**	**3 639 408,46**	**341 876,36**	**309 989,17**	**7 834 691,16**	**0,00**
Current depreciation – increases	0,00	0,00	599 962,54	574 463,25	173 745,48	25 833,33	1 374 004,60	0,00
Decreases, of which:	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– liquidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– disposal	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– internal transfer	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– other	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Accumulated depreciation at end of period	**0,00**	**0,00**	**4 143 379,71**	**4 213 871,71**	**515 621,84**	**335 822,50**	**9 208 695,76**	**0,00**
Permanent impairment at beginning of period	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Increases	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decreases	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Permanent impairment at end of period	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Net book value at beginning of period	**1 568 581,55**	**0,00**	**17 375 123,02**	**1 764 975,41**	**652 391,10**	**147 825,41**	**21 508 896,49**	**4 593,50**
Net book value at end of period	**1 568 581,55**	**0,00**	**16 775 160,48**	**1 267 356,85**	**478 645,62**	**128 732,55**	**20 218 477,05**	**0,00**
Percent used up from opening value (%)	0,00	0,00	0,20	0,77	0,52	0,72	0,31	

Note 33

Expenses for non-financial fixed assets incurred in the financial year and planned for the coming year

List by planned contractual repayment period	01.04.2023-31.03.2024	01.01.2022-31.03.2023
Costs incurred in period,of which:	**78 991,66**	**683 585,00**
Acquisition of intangible fixed assets	0,00	0,00
Acquisition of fixed assets, of which:	78 991,66	683 585,00
– for environmental protection	0,00	0,00
Fixed assets under construction, of which:	0,00	0,00
– for environmental protection	0,00	0,00
Investments in real estate and rights	0,00	0,00
Costs planned in next period, of which:	**3 674 000,00**	**0,00**
Acquisition of intangible fixed assets	0,00	0,00
Acquisition of fixed assets, of which:	3 674 000,00	0,00
– for environmental protection	0,00	0,00
Fixed assets under construction, of which:	0,00	0,00
– for environmental protection	0,00	0,00
Investments in real estate and rights	0,00	0,00

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Note 34
Inventory

	31.03.2024	31.03.2023
Raw materials	7 179 685,80	8 584 386,46
Semi-finished products and work in progress	2 766 698,06	5 858 168,65
Finished products	283 715,10	368 069,92
Goods for resale	10 180,30	2 454,99
Advances for deliveries	227 677,39	573,48
Total	**10 467 956,65**	**14 813 653,50**

Note 34a
Inventory - write offs

	31.03.2024	31.03.2023
1. Raw materials	91 132,35	294 618,99
2. Semi-finished products and work in progress	0,00	0,00
3. Finished products	0,00	0,00
4. Goods for resale	0,00	0,00

Note 35
Finance leases at the lessee

Items	The present value of the lease payments payable in the following periods			
	up to 1 year	from 1 to 3 years	from 3 to 5 years	over 5 years
Car Volkswagen Arteon SK073VV	31 657,59	66 681,50	0,00	0,00
Scissor lift JCB S2632E	10 899,18	22 570,23	0,00	0,00
Car Skoda Octavia SK810WX	18 133,40	70 008,23	0,00	0,00
Car Skoda Octavia SK811WX	18 133,40	70 008,23	0,00	0,00
Car Skoda Octavia SK812WX	18 133,40	70 008,23	0,00	0,00
Car Skoda Octavia TK931CH	26 850,16	51 972,94	0,00	0,00

Note 36
Ownership of tangible fixed ssets

	Freehold land	Land in perpetual usufruct	Buildings and constructions and separate strata title premises and rights to premises	Plant and equipment	Vehicles	Other fixed assets	Total
Tangible fixed assets owned	1 568 581,55	0,00	20 918 540,19	5 421 728,56	326 300,00	464 555,05	28 699 705,35
Tangible fixed assets used on the basis of rental, tenancy or other agreements, including lease agreements	0,00	0,00	0,00	59 500,00	667 967,46	0,00	727 467,46
used based on rental agreements	0,00	0,00	0,00	0,00	0,00	0,00	0,00
used based on tenancy agreements	0,00	0,00	0,00	0,00	0,00	0,00	0,00
used based on lease agreements	0,00	0,00	0,00	59 500,00	667 967,46	0,00	727 467,46
used based on other agreements (specify)	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total tangible fixed assets	**1 568 581,55**	**0,00**	**20 918 540,19**	**5 481 228,56**	**994 267,46**	**464 555,05**	**29 427 172,81**

Note 37

Ageing of short-term receivables

	Gross short-term receivables	of which: disputed receivables	Provision for doubtful debts	Net short-term receivables
1. Receivables from related parties	**1 238 077,41**	**0,00**	**0,00**	**1 238 077,41**
a) trade receivables due within 12 months	**1 238 077,41**	**0,00**	**0,00**	**1 238 077,41**
Opening balance	1 760 155,53	0,00	0,00	1 760 155,53
Closing balance, of which:	1 238 077,41	0,00	0,00	1 238 077,41
– current	980 913,61	0,00	0,00	980 913,61
– overdue by 1 month or less	257 163,80	0,00	0,00	257 163,80
– overdue by 1 to 3 months	0,00	0,00	0,00	0,00
– overdue by 3 to 6 months	0,00	0,00	0,00	0,00
– overdue by 6 months to 1 year	0,00	0,00	0,00	0,00
– overdue by more than 1 year	0,00	0,00	0,00	0,00
b) trade receivables due in more than 12 months	**0,00**	**0,00**	**0,00**	**0,00**
Opening balance	0,00	0,00	0,00	0,00
Closing balance, of which:	0,00	0,00	0,00	0,00
c) inne	**0,00**	**0,00**	**0,00**	**0,00**
Opening balance	0,00	0,00	0,00	0,00
Closing balance, of which:	0,00	0,00	0,00	0,00
2. Receivables from other parties	**3 087 052,20**	**0,00**	**768 440,37**	**2 318 611,83**
a) trade receivables due within 12 months	**2 989 631,68**	**0,00**	**768 440,37**	**2 221 191,31**
Opening balance	3 149 941,78	0,00	598 186,17	2 551 755,61
Closing balance, of which:	2 989 631,68	0,00	768 440,37	2 221 191,31
– current	1 391 293,95	0,00	0,00	1 391 293,95
– overdue by 1 month or less	442 764,01	0,00	0,00	442 764,01
– overdue by 1 to 3 months	267 748,97	0,00	0,00	267 748,97
– overdue by 3 to 6 months	36 367,97	0,00	0,00	36 367,97
– overdue by 6 months to 1 year	34 065,68	0,00	0,00	34 065,68
– overdue by more than 1 year	817 391,10	0,00	768 440,37	48 950,73
b) trade receivables due in more than 12 months	**0,00**	**0,00**	**0,00**	**0,00**
Opening balance	0,00	0,00	0,00	0,00
Closing balance, of which:	0,00	0,00	0,00	0,00
c) tax, subsidy and social insurance receivables	**80 068,52**	**0,00**	**0,00**	**80 068,52**
Opening balance	337 336,13	0,00	0,00	337 336,13
Closing balance, of which:	80 068,52	0,00	0,00	80 068,52
– current	80 068,52	0,00	0,00	80 068,52
– overdue by 1 month or less	0,00	0,00	0,00	0,00
– overdue by 1 to 3 months	0,00	0,00	0,00	0,00
– overdue by 3 to 6 months	0,00	0,00	0,00	0,00
– overdue by 6 months to 1 year	0,00	0,00	0,00	0,00
– overdue by more than 1 year	0,00	0,00	0,00	0,00
d) other receivables	**17 352,00**	**0,00**	**0,00**	**17 352,00**
Opening balance	19 636,17	0,00	0,00	19 636,17
Closing balance, of which:	17 352,00	0,00	0,00	17 352,00
– current	17 352,00	0,00	0,00	17 352,00
– overdue by 1 month or less	0,00	0,00	0,00	0,00
– overdue by 1 to 3 months	0,00	0,00	0,00	0,00
– overdue by 3 to 6 months	0,00	0,00	0,00	0,00
– overdue by 6 months to 1 year	0,00	0,00	0,00	0,00
– overdue by more than 1 year	0,00	0,00	0,00	0,00
e) receivables in court	**0,00**	**0,00**	**0,00**	**0,00**
Opening balance	0,00	0,00	0,00	0,00
Closing balance, of which:	0,00	0,00	0,00	0,00

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Note 38

Short-term receivables from related parties (ownership structure)

	Gross short-term receivables	Provision for doubtful debts	Net short-term receivables
1. Trade receivables, of which from:	**1 238 077,41**	**0,00**	**1 238 077,41**
a) subsidiary companies	0,00	0,00	0,00
b) co-subsidiary companies	0,00	0,00	0,00
c) associated companies	0,00	0,00	0,00
d) significant investor	0,00	0,00	0,00
e) co-subsidiary's shareholder	0,00	0,00	0,00
f) holding company	1 238 077,41	0,00	1 238 077,41
2. Other, of which from:	**0,00**	**0,00**	**0,00**
a) subsidiary companies	0,00	0,00	0,00
b) co-subsidiary companies	0,00	0,00	0,00
c) associated companies	0,00	0,00	0,00
d) significant investor	0,00	0,00	0,00
e) co-subsidiary's shareholder	0,00	0,00	0,00
f) holding company	0,00	0,00	0,00
3. In court, of which from:	**0,00**	**0,00**	**0,00**
a) subsidiary companies	0,00	0,00	0,00
b) co-subsidiary companies	0,00	0,00	0,00
c) associated companies	0,00	0,00	0,00
d) significant investor	0,00	0,00	0,00
e) co-subsidiary's shareholder	0,00	0,00	0,00
f) holding company	0,00	0,00	0,00
Total short-term receivables from related parties	**1 238 077,41**	**0,00**	**1 238 077,41**

Note 39

Short-term receivables (currency structure)

	in PLN	in Euro	Translated into PLN	in DKK	Translated into PLN	otal short- term receivables in PLN
1. From related parties, of which from:	**1 238 077,41**	**0,00**	**0,00**	**0,00**	**0,00**	**1 238 077,41**
subsidiaries relating to:	0,00	0,00	0,00	0,00	0,00	0,00
co-subsidiary companies	0,00	0,00	0,00	0,00	0,00	0,00
sales of products and services	0,00	0,00	0,00	0,00	0,00	0,00
associates relating to:	0,00	0,00	0,00	0,00	0,00	0,00
significant investor relating to:	0,00	0,00	0,00	0,00	0,00	0,00
co-subsidiary's shareholder relating to:	0,00	0,00	0,00	0,00	0,00	0,00
holding company relating to:	1 238 077,41	0,00	0,00	0,00	0,00	1 238 077,41
sales of products and services	1 238 077,41	0,00	0,00	0,00	0,00	1 238 077,41
2. From other parties relating to:	**1 371 999,04**	**354 725,23**	**1 525 637,74**	**328 504,02**	**189 415,42**	**3 087 052,20**
sales of products and services	1 274 578,52	354 725,23	1 525 637,74	328 504,02	189 415,42	2 989 631,68
public-law liabilities	80 068,52	0,00	0,00	0,00	0,00	80 068,52
other	17 352,00	0,00	0,00	0,00	0,00	17 352,00

Note 40

Long-term liabilities to the holding company – ageing

	Credits and loans	Securities	Other financial liabilities	Finance leases	Other	Total
from 1 to 3 years						
beginning of period	0,00	0,00	0,00	0,00	0,00	0,00
end of period	0,00	0,00	0,00	0,00	0,00	0,00
from 3 to 5 years						
beginning of period	0,00	0,00	0,00	0,00	0,00	0,00
end of period	0,00	0,00	0,00	0,00	0,00	0,00
more than 5 years						
beginning of period	16 186 577,24	0,00	0,00	0,00	0,00	16 186 577,24
end of period	12 143 030,91	0,00	0,00	0,00	0,00	12 143 030,91
Total						
beginning of period	16 186 577,24	0,00	0,00	0,00	0,00	16 186 577,24
end of period	12 143 030,91	0,00	0,00	0,00	0,00	12 143 030,91

Note 41

Long-term liabilities (currency structure)

	in PLN	in Eur	Translated into PLN	Total long-term liabilities in PLN
1. To related parties, of which to:	**12 143 030,91**	**0,00**	**0,00**	**12 143 030,91**
subsidiaries relating to:	0,00	0,00	0,00	0,00
co-subsidiaries relating to:	0,00	0,00	0,00	0,00
associates relating to:	0,00	0,00	0,00	0,00
significant investor relating to:	0,00	0,00	0,00	0,00
co-subsidiary's shareholder relating to:	0,00	0,00	0,00	0,00
holding company relating to:	12 143 030,91	0,00	0,00	12 143 030,91
- loan	12 143 030,91	0,00	0,00	12 143 030,91
To other parties relating to:	**351 249,36**	**0,00**	**0,00**	**351 249,36**
leasing liabilities	351 249,36	0,00	0,00	351 249,36

Note 42

Short-term liabilities to holding company

	31.03.2024	31.03.2023
1. Credits and loans, of which:	**0,00**	**0,00**
– with a long-term repayment period	0,00	0,00
– debt securities	0,00	0,00
– dividends	0,00	0,00
2. Other financial liabilities, of which:	**0,00**	**0,00**
3. Trade payables, with due dates:	**348 035,02**	**569 508,72**
– within 12 months	348 035,02	569 508,72
– in more than 12 months	0,00	0,00
4. Advances received on deliveries	**0,00**	**0,00**
5. Promissory notes	**0,00**	**0,00**
Total	**348 035,02**	**569 508,72**

Note 43

Short-term liabilities to other companies

	31.03.2024	31.03.2023
1. Credits and loans, of which:	**0,00**	**0,00**
– with a long-term repayment period	0,00	0,00
– debt securities	0,00	0,00
– dividends	0,00	0,00
2. Other financial liabilities, of which:	**123 807,13**	**128 083,30**
– leasing liabilities	123 807,13	128 083,30
3. Trade payables, with due dates:	**4 132 014,05**	**6 277 563,26**
– within 12 months	4 132 014,05	6 277 563,26
– in more than 12 months	0,00	0,00
4. Advances received on deliveries	**1 923 279,19**	**4 360 562,26**
5. Due to taxes, customs and social security	**1 241 004,30**	**709 990,70**
6. Promissory notes	**0,00**	**0,00**
7. Liabilities to employees due to salaries	**658 486,00**	**591 782,65**
8. Other	**29 110,15**	**264,64**
Total	**8 107 700,82**	**12 068 246,81**

Note 44

Short-term liabilities (currency structure)

	in PLN	in EUR	Translated into PLN	in USD	Translated into PLN	in DKK	Translated into PLN	Total short-term liabilities in PLN
1. To related parties, of which to:	**348 035,02**	**108 302,00**	**465 796,07**	**0,00**	**0,00**	**0,00**	**0,00**	**813 831,09**
subsidiaries relating to:	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
co-subsidiaries relating to:	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
trade payables	0,00	0,00	0,00	0,00	0,00			0,00
associates relating to:	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
significant investor relating to:	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
co-subsidiary's shareholder relating to:	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
holding company relating to:	348 035,02	108 302,00	465 796,07	0,00	0,00	0,00	0,00	813 831,09
loans	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
trade payables	348 035,02	108 302,00	465 796,07	0,00	0,00	0,00	0,00	813 831,09

	in PLN	in EUR	Translated into PLN	in USD	Translated into PLN	in DKK	Translated into PLN	Total short-term liabilities in PLN
2. To other parties relating to:	**5 172 446,96**	**666 059,41**	**2 887 897,37**	**0,00**	**0,00**	**79 395,00**	**47 356,49**	**8 107 700,82**
leasing liabilities	123 807,13	0,00	0,00	0,00	0,00	0,00	0,00	123 807,13
trade payables	2 056 011,59	471 679,41	2 028 645,97	0,00	0,00	79 395,00	47 356,49	4 132 014,05
advances received on deliveries	1 064 027,79	194 380,00	859 251,40	0,00	0,00	0,00	0,00	1 923 279,19
taxes and social security	1 241 004,30	0,00	0,00	0,00	0,00	0,00	0,00	1 241 004,30
salaries	658 486,00	0,00	0,00	0,00	0,00	0,00	0,00	658 486,00
other liabilities	29 110,15	0,00	0,00	0,00	0,00	0,00	0,00	29 110,15

Note 45

Short-term liabilities relating to credits and loans

Company name	Registered office	Loan amount according to the agreement in currency	Loan amount according to the agreement in PLN	Loan amount to pay in currency	Loan amount to pay in PLN	Interest conditions	Due date	Loan security	Other information, including information on defaults on a loan or breach of loan agreement, for which no remedial action has been taken by the end of the reporting
Danstoker A/S	Industrivej Nord 13, 7400 Herning, Denmark	20 000 000,00	20 000 000,00	12 143 030,91	12 143 030,91	WIBOR 3M + marża 1,25 p.p.	22.02.2033	none	not applicable
Total		**20 000 000,00**	**20 000 000,00**	**12 143 030,91**	**12 143 030,91**				

Note 46

Changes in intangible fixed assets

	Costs of completed research and development	Goodwill	Copy rights, neighboring rights, licenses and permits	Rights to inventions, patents, trademarks	Computer software	Other, including know-how	Total
Gross opening balance	**0,00**	**0,00**	**0,00**	**0,00**	**4 923,00**	**0,00**	**4 923,00**
Increases, of which:	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– acquisition	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– internal transfer	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– other	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decreases	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– liquidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– disposal	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– internal transfer	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– other	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gross closing balance	**0,00**	**0,00**	**0,00**	**0,00**	**4 923,00**	**0,00**	**4 923,00**
Accumulated amortization at beginning of period	**0,00**	**0,00**	**0,00**	**0,00**	**4 923,00**	**0,00**	**4 923,00**
Current amortization – increases	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Accumulated amortization – decreases	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– liquidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– disposal	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– internal transfer	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– other	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total accumulated amortization at end of period	**0,00**	**0,00**	**0,00**	**0,00**	**4 923,00**	**0,00**	**4 923,00**
Permanent impairment at beginning of period	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Increases	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Decreases	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Permanent impairment at end of period	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Net book value at beginning of period	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Net book value at end of period	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Percent used up from opening value (%)	0%	0%	0%	0%	100%	0%	100%

Note 47

Cost of fixed assets under construction, including interest and foreign exchange differences that increase the cost of fixed assets under construction

	31.03.2024	31.03.2023
Cost of fixed assets under construction excluding interest and foreign exchange differences	0,00	4 593,50
Interest in the financial year increasing the cost of fixed assets under construction	0,00	0,00
Foreign exchange differences in the financial year increasing the cost of fixed assets under construction	0,00	0,00
Total	**0,00**	**4 593,50**

Note 48

Special funds

Item	31.03.2024	31.03.2023
Social fund	13 127,07	51 232,34
Company fund for the rehabilitation of the disabled	0,00	0,00
Housing cooperative repair and renovation fund	0,00	0,00
Total	**13 127,07**	**51 232,34**

Note 49

Cost settlement data

	01.04.2024 - 31.03.2023	01.04.2022 - 31.03.2023
I. Changes in settled costs +/-	**1 003 545,51**	**588 259,85**
1. Relating to inventory differences	2 937,66	0,00
2. Written off discontinued production	0,00	0,00
3. Write off of costs with no economic effect	1 000 607,85	588 259,85
4. Other	0,00	0,00
II. Change in inventory, finished products and accrued costs +/-	**-3 175 825,41**	**822 309,40**
1. Finished products	-84 354,82	164 776,33
2. Semi-finished products and work in progress	-3 091 470,59	657 533,07
3. Accrued costs	0,00	0,00
III. Cost of goods sold	**42 708 316,53**	**36 614 676,89**
– cost of finished products sold	34 614 998,19	28 380 228,14
– cost of producing goods for the entity's own needs	2 937,66	0,00
– sales costs	2 239 994,58	2 405 657,02
– general administrative costs	5 850 386,10	5 828 791,73
IV. Cost of goods for resale and raw materials sold	**695 455,07**	**961 690,18**

Note 50

Accumulated profit (loss) from previous years

	31.03.2023	31.03.2022
Accumulated profit (loss) from previous years at beginning of period	**-14 876 389,47**	**-13 704 497,28**
Accumulated profit from previous years at beginning of period	336 152,64	0,00
– changes in accounting methods (policies)	0,00	0,00
– adjustments of errors	0,00	0,00
Adjusted accumulated profit from previous years at beginning of period	336 152,64	0,00
a) increases (relating to)	0,00	0,00
b) decreases (relating to)	336 152,64	0,00
– coverage of loss from previous years from profit	336 152,64	0,00
Accumulated profit from previous years at end of period	**0,00**	**0,00**
Accumulated loss from previous years at beginning of period	15 212 542,11	13 704 497,28
– changes in accounting methods (policies)	0,00	0,00
– adjustments of errors	**0,00**	**0,00**
Adjusted accumulated loss from previous years at beginning of period	15 212 542,11	13 704 497,28
a) increases (relating to)	0,00	1 508 044,83
– transfer of loss from previous years to be covered	0,00	1 508 044,83
b) decreases (relating to)	336 152,64	0,00
– coverage of loss from previous years from profit	336 152,64	0,00
Accumulated loss from previous years at end of period	14 876 389,47	15 212 542,11
Accumulated profit (loss) from previous years at end of period	-14 876 389,47	-15 212 542,11

Note 51

Changes in reserve capital

	31.03.2024	31.03.2023
Opening balance	**17 055 000,00**	**17 055 000,00**
increases (relating to)	**0,00**	**0,00**
– share premium	0,00	0,00
use (relating to)	**0,00**	**0,00**
Closing balance	**17 055 000,00**	**17 055 000,00**

Note 52

Financial risk factors and methods of financial risk management

<u>Objectives and principles of financial risk management</u>

The Entity's activities are exposed to the following types of financial risk:

– market risk, including currency, interest rate and other price risks,

– risk of loss of liquidity,

– credit risk.

Basic principles of risk management

The Management Board is responsible for establishing and supervising the Company's risk management, including identifying and analyzing the risks to which the Company is exposed, determining their appropriate limits and controls, as well as monitoring the risk and the degree of compliance with the limits. Risk management policies and procedures are regularly reviewed to reflect changes in market conditions and changes in the Company's operations.

Market risk

Market risk is that changes in market prices, such as exchange rates, interest rates, and prices of capital instruments will affect the Company's results or the value of its financial instruments. The aim of market risk management is to maintain and control the Company's exposure to market risk within the adopted parameters, while striving to optimize the rate of return on investment.

a) Currency risk

Currency risk is mainly related to changes in the EUR exchange rate. The entity's exposure to risk related to changes in exchange rates is significant due to the significant share of purchases in foreign currencies and the large share of sales revenues expressed in foreign currencies. The Company does not hedge against exchange rate risk and exchange rate fluctuations. Settlements with Group companies are made in Polish currency. Settlements with companies in foreign currencies, after reaching a significant level, will be secured by forward transactions.

b) Interest rate risk

The entity has liabilities under credits and loans for which interest is calculated on the basis of a variable interest rate. This is a form of the so-called a credit line granted by the sole shareholder Danstoker A/S for a total amount of PLN 20 million. The entity minimizes the interest rate risk by appropriately shaping the structure of assets and liabilities, including trade liabilities and liabilities arising from advances received for deliveries.

c) Other price risk

The entity is exposed to losses due to changes in the prices of goods and materials. The aim of commodity and material price risk management is to limit possible losses due to price changes to an acceptable level by shaping the structure of commodity items. The company protects itself against risk by setting the validity period of its sales offers and by providing its services on material entrusted by customers. The entity does not use derivative hedging instruments with respect to price risk.

Risk of loss of liquidity

The entity is exposed to the risk of loss of liquidity, understood as the risk of losing the ability to settle liabilities within specified periods. In the opinion of the Management Board of the Unit, the value of cash, the loan in the form of a working capital loan and the portfolio of orders received mean that the Company is not exposed to the risk of loss of financial liquidity.

Credit risk

The entity is exposed to credit risk, understood as the risk that creditors will not meet their obligations and thus cause the Company to incur losses. The entity has many recipients. The company applies the principle of concluding transactions with contractors with proven creditworthiness. The main source of exposure to credit risk are trade receivables. The majority of the Company's revenues are generated by the execution of orders and contracts for the supply of boilers, heat exchangers, accessories and boiler room elements. The company protects itself against the risk of contractors' insolvency by insuring receivables and using prepayments.

Note 53

Financial instruments - Characteristics of financial instruments, including those not measured at fair value

Description	Characteristics (quantity)	A description of the methods and significant assumptions used to measure fair value, or reasons why fair value cannot be determined, and the limits of the range within which fair value may lie	Fair value or value at adjusted purchase price	Opening balance	Increases	Releases	Closing balance	Conditions and dates affecting the size, timing and certainty of future cash flows	Principles of entering purchased financial instruments into the accounting books
Financial assets held for trading, including:	0,00		0,00	0,00	0,00	0,00	0,00		
– derivatives	0,00		0,00	0,00	0,00	0,00	0,00		
– financial assets held for trading, valued at the adjusted purchase price due to the lack of reliable measurement	0,00		0,00	0,00	0,00	0,00	0,00		
Financial assets available for sale, including:	0,00		0,00	0,00	0,00	0,00	0,00		
– available-for-sale financial assets valued at the adjusted purchase price due to the lack of reliable measurement	0,00		0,00	0,00	0,00	0,00	0,00		
Loans granted and own receivables	0,00		0,00	2 548 937,42	2 234 460,32	0,00	4 783 397,74		
Financial assets held to maturity	0,00		0,00	0,00	0,00	0,00	0,00		
Financial liabilities held for trading, including:	0,00		0,00	0,00	0,00	0,00	0,00		
– derivatives	0,00		0,00	0,00	0,00	0,00	0,00		
Other financial liabilities	0,00		0,00	16 791 204,35	1 096 516,57	5 269 633,52	12 618 087,40		
Financial assets and liabilities not measured at fair value, including:	0,00		0,00	0,00	0,00	0,00	0,00		
– loans granted and own receivables not held for sale	0,00		0,00	0,00	0,00	0,00	0,00		
– financial assets held to maturity	0,00		0,00	0,00	0,00	0,00	0,00		
– financial assets for which there is no market price determined in active regulated trading and the fair value cannot be determined in any other reliable way	0,00		0,00	0,00	0,00	0,00	0,00		
– hedged financial assets	0,00		0,00	0,00	0,00	0,00	0,00		

Note 54

Financial instruments - Interest income arising from financial assets

Cathegory of assets	Interest income calculated in accordance with the concluded contract				
	Total	Realised	Unrealised		
			Up to 3 months	From 3 months do 12 months	Above 12 months
Granted loans	0,00	0,00	0,00	0,00	0,00
Own receivables	0,00	0,00	0,00	0,00	0,00
Debt financial instruments, including:	0,00	0,00	0,00	0,00	0,00
– treasury bonds	0,00	0,00	0,00	0,00	0,00
– municipal bonds	0,00	0,00	0,00	0,00	0,00
– corporate bonds	0,00	0,00	0,00	0,00	0,00
– Treasury bills	0,00	0,00	0,00	0,00	0,00
– mortgage bonds	0,00	0,00	0,00	0,00	0,00
– certificates of deposit	0,00	0,00	0,00	0,00	0,00
Other (please specify)	0,00	0,00	0,00	0,00	0,00

Comments
The Company did not generate income from interest on bank deposits.

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Note 55

Financial instruments - Interest expense arising from financial liabilities

Cathegory of liabilities	Interest income calculated in accordance with the concluded contract				
	Total	Realised	Unrealised		
			Up to 3 months	From 3 months do 12 months	Above 12 months
Liabilities classified as held for trading, including:	0,00	0,00	0,00	0,00	0,00
Long-term financial liabilities, including:	9 104 070,31	1 180 904,89	225 390,36	653 436,71	7 044 338,35
– loan from Danstoker A/S valid until 22.02.2033 (1)	8 963 603,71	1 096 516,57	214 342,79	645 383,80	7 007 360,55
– lease agreements	140 466,60	84 388,32	11 047,57	8 052,91	36 977,80
– Short-term financial obligations, including:	0,00	0,00	0,00	0,00	0,00

Comments:
(1) - calculation assuming that the balance will be maintained at the current level (PLN 12,143,030.91) and with the WIBOR 1M interest rate of 5.88 pp, agreement in the form of a credit line up to PLN 20 million without a repayment schedule

Note 56

Financial instruments - Information on interest rate risk and credit risk

Type of financial instrument	Actual value	Redemption date or revaluation date	Effective interest rate	Type of risk	The estimated maximum amount of loss to which the entity would be exposed (without collateral) if the creditor defaulted
Other financial liabilities - Loan from Danstoker A/S	12 143 030,91		7,13%	interest rate	0,00
Lease agreements	475 056,49		7,58 - 7,98% (1)	interest rate	0,00
Loans granted and own receivables	4 783 397,74		0,00%	credit risk	4 783 397,74
Trade receivables	3 459 268,72		0,00%	credit risk	3 459 268,72

Comments:
(1) including WIBOR 3M 6,9% (2) In the position “Loans granted and own receivabless” are uncluded cash on hand and bank deposits.

Ostrowiec Świętokrzyski, May 22, 2024

Financial statements prepared by

....
Michał Musiał

Management Board

....
Mahesh Bukinkere
President of the Board

....
Peter Overgaard
Vice-President of the Board

....
Sanjay Reddy
Member of The Board

THERMAX INTERNATIONAL TANZANIA LIMITED

Board of Directors
Bhavesh Kumar Chheda
Kirtiraj Rajendra Jilkar
Sunil Raina

Registered Office
Girl Guides building, 1st building,
1st Floor -Tower B
Plot No.1088 Kibasila Street, Upanga
P.O. Box 7323
Dar es Salaam, Tanzania

Auditors
BDO East Africa
Certified Public Accountants
ZO Spaces, 4th Floor, Plot No. 4
New Bagamoyo Road
P.O. BOX 9912
Dar es Salaam, Tanzania
PF No: 101

Bankers
Citibank Tanzania Limited
Citibank House, Plot 1962
P.O. Box 71625
Dar es Salaam, Tanzania

Company Secretary
PKF Advisory Limited
P.O. Box 7323
Dar es Salaam, Tanzania

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

REPORT BY THOSE CHARGED WITH GOVERNANCE

1. INTRODUCTION

The members charged with governance present their report together with audited financial statements which disclose the state of affairs of Thermax International Tanzania Limited (the "Company"). This report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No. 1, The report by those charged with governance issued by National Board of Accountants and Auditors (NBAA).

2. INCORPORATION

Thermax International Tanzania Limited is a private company limited by shares. It was registered in the United Republic of Tanzania on 7 December 2019 through Certificate of Incorporation number 140562629.

3. COMPANY'S VISION

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

4. COMPANY'S MISSION

Our mission is as listed below:

- ✓ We will harness best available technology, operational excellence and service innovation to our customers.
- ✓ We will be extremely service focused – predicting and fulfilling customer needs and expectations.
- ✓ Environment sustainability will be foundation of our business and will drive our thinking and actions at every time.
- ✓ Our services will enable long term economic benefit to our customers

5. PRINCIPAL ACTIVITIES AND RESOURCES

The company's principal activity is the manufacture and supply of industrial equipment, erection and commissioning of Power Plant and Substations.

By allocating capital to our businesses, we provide differentiation, create value and share it with our stakeholders, while also increasing our own capitals. We present below a brief description of the capitals that are most relevant to our business model.

Financial capital:

Financial capital is composed of the financial resources available and allocated to provision of services to our customers. These resources are obtained through funding from owner's equity and internally generated capital through operations (retained earnings).

Human resource:

This is composed of our employees and their skills and experiences, as well as their motivations to innovate and develop better services, in an ethical and responsible way, by means of their capabilities for management, leadership and cooperation.

Intellectual capital:

This is a collection of how the brand is perceived, its intellectual property, technical know-how, and the ability to be creative and innovative in provision of its products and deployment of technology. The entity places maximum emphasis on harnessing intellectual capital such as through implementation of digital business operation model.

Social and relationship resource:

This is mainly composed of ethical and transparent relationships with our customers, shareholders, investors, suppliers, regulatory agencies, government and society. This also includes the ability to share value with our stakeholders to enhance individual and collective well-being.

6. Review of financial results and activities

During the year, the Company managed to secure a contract with customer when compared to last year as a result revenue generated activities were performed.

Performance for the year

The Company made profit after tax of TZS 1,346,863,061; the profit is due to the Operation & Maintenance services.

(a) Statement of Financial Position

The Company has a net current liability of TZS 953,669,571 on its fourth year of operation due to the Operation & Maintenance services.

(b) Statement of cash flow

During the year, the company had a positive cash flow of TZS 1,615,623,185 this is mainly due to the Operation & Maintenance services.

The statement of operating results and affairs of the Company are set out on pages 13 and 14 respectively, and do not in our opinion, require any further comment.

7. Key performance indicators and liquidity

The following Key Performance Indicators (KPIs) are effective in measuring the delivery of the Company's strategy and managing business.

Key performance indicators	Definition and calculation method	Ratios 2024	Ratios 2023
Net profit margin	Net profit/Total revenue	23%	24%
Current ratio	Current asset/Current liability	4.21	6.64

As at year end the member of those charged with governance are conversant on the entities ability to meet its current liabilities when they fall due.

8. DIVIDENDS

TZS 2,893,056,000 dividends were declared and paid to shareholders during the year (2023:Nil)

9. RISK MANAGEMENT AND INTERNAL CONTROL

The board accepts final responsibility for the risk management and internal control system of the company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- ✓ The effectiveness and efficiency of operations;
- ✓ The safeguarding of the company's assets;
- ✓ Compliance with applicable laws and regulations;
- ✓ The reliability of accounting records;
- ✓ Business sustainability under normal as well as adverse conditions; and
- ✓ Responsible behavior towards the stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The board assessed the internal control systems throughout the year and is of the opinion that they met the accepted criteria.

In addition, the company's activities expose it to a number of financial risks including credit risk, and liquidity risk as set out below.

10. PRINCIPAL RISKS AND UNCERTAINTIES

The entity's activities expose it to a variety of financial risks including credit risk, liquidity risk, market risks and operational risks. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. More details of the financial risks facing the entity are provided in Note 3.13 to the financial statements.

11. CAPITAL STRUCTURE AND SHAREHOLDING

The company's capital structure for the year under review is shown below:

Authorized share capital

6,325,000 ordinary shares of TZS 100 each (2023: 6,325,000 ordinary shares of TZS 100 each)

Called up and fully paid share capital

6,000,003 ordinary shares of TZS 100 each (2023: 6,000,003 ordinary shares of TZS 100 each)

Shareholding

The total number of shareholders during the year 2024 was three. (2023: Three)

Shareholder	2024		2023	
	Number of shares	%	Number of shares	%
Thermax International Limited	**5,999,999**	**99.99993%**	5,999,999	99.99993%
Bhavesh Kumar Chheda	**1**	**0.00002%**	1	0.00002%
Kirtiraj Rajendra Jilkar	**3**	**0.00005%**	3	0.00005%
	6,000,003	**100%**	6,000,003	100%

12. MANAGEMENT

The day-to-day management of the Company is under Plant Operations Manager (POM) and is organized under the following departments:

- ✓ Operations department.
- ✓ Finance and administrations.

13. COMPOSITION OF THE BOARD OF DIRECTORS

The directors of the Company at the date of this report and who have served since 1 April 2023 (except otherwise mentioned) are:

No.	Name	Position	Age	Nationality	Qualification	Date of appointment
1.	Bhavesh Kumar Chheda	Director	48	Indian	Chartered Accountant	07-12-2019
2.	Kirtiraj Rajendra Jilkar	Director	55	Indian	Engineer	07-12-2019
3.	Sunil Raina	Director	58	Indian	Engineer	07-12-2019

The Board is required to meet at least once a year and oversee the management of the business. During the year the Board met two times.

Directors' interest in the shares of the company

The directors' interests in the issued and fully paid capital of the company were as follows:

Shareholder	2024		2023	
	Number of shares	%	Number of shares	%
Bhavesh Kumar Chheda	**1**	**0.00002%**	1	0.00002%
Kirtiraj Rajendra Jilkar	**3**	**0.00005%**	3	0.00005%
	4	**0.00007%**	4	0.00007%

Secretary

The Company secretary as at 31 March 2024 was PKF Advisory Limited.

14. CORPORATE GOVERNANCE

The Board of directors consists of three (3) directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

Company's corporate governance structure involves managing and controlling relationships amongst different stakeholders, Board of Directors, employees, customers, suppliers and the community at large. The Board and all employees observe values and ethical business in all its business interactions and relationships to stakeholders.

The Board is required to meet at least once a year. The Board delegates the day-to-day management of the business to the Directors assisted by senior management. The Company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability. The Board met twice during the year.

15. SOLVENCY

Those charged with governance confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The members have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

16. EMPLOYEES' WELFARE

Management and employees' relationship

There were continued good relations between employees and management for the year 2024. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and the trade union for the period under review.

The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability, which does not impair ability to discharge duties.

Training facilities

Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. All employees have some form of annual training to upgrade skills and enhance development.

Medical assistance

All members of staff with a maximum number of four beneficiaries (dependents) for each employee were availed medical insurance guaranteed by the Board. Currently these services are provided through National Health Insurance Fund (NHIF).

Financial assistance to Staff

Staff advances are available to all confirmed employees depending on the assessment of and the discretion of management as to the need and circumstances.

Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and appropriate training is arranged. It is the policy of the Company that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees Benefit Plan

The Company pays contributions to a publicly administered pension plan on mandatory basis which qualifies to be a defined contribution plan.

17. GENDER PARITY

The Company is equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

18. RELATED PARTY TRANSACTIONS

The details of the related party transactions and balances are disclosed in Note 15 to these financial statements.

19. SUBSEQUENT EVENTS

There are no material events after the reporting period which require adjustment to, or disclosure, in the financial statements.

20. POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political or charitable donations during the year (2023: NIL).

21. CORPORATE SOCIAL RESPONSIBILITY

During the period the company did not participate in any community activities and development programs however the company intend in future to engage in corporate social responsibility.

22. FUTURE DEVELOPMENT PLANS

The Company intends to increase its customer base, give support to local customers, expand and secure profit of the shareholders.

23. STATEMENT OF COMPLIANCE

The directors' report has been prepared in full compliance with Tanzania Financial Reporting Standard No. 1 (Directors' Report) and constitutes an integral part of the financial statements.

23. AUDITORS

The auditor BDO East Africa has expressed the willingness to continue in office in accordance with Section 170(1) of the Companies Act, 2002. A resolution to re-appoint BDO East Africa as the auditor of the Company will put presented to the Company's Annual General Meeting.

Approved by the Order of the Board and signed on its behalf by:

Bhavesh Kumar Chheda
Director

Date: 09 May 2024

THERMAX INTERNATIONAL TANZANIA LIMITED

STATEMENT OF THOSE CHARGED WITH GOVERNANCE RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2024

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards and the provisions of the Companies Act, 2002. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards and in the manner required by the Companies Act, 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Approval of the financial statements:

The annual financial statements of Thermax International Tanzania Limited as identified were approved and authorized on behalf of the Board of Directors and signed by the following director.

Bhavesh Kumar Chheda
Director

Date: 09 May 2024

DECLARATION OF HEAD OF FINANCE FOR THE YEAR ENDED 31 MARCH 2024

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the head of finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I Fadhili Mbwaga being the financial consultant of Thermax International Tanzania Limited hereby acknowledge my responsibility of ensuring that financial statements for period since incorporation to 31 March 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Thermax International Tanzania Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

Position: Financial Consultant

NBAA Membership No: 3783

Date: 09 May 2024

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THERMAX INTERNATIONAL TANZANIA LIMITED

Report on the Audit of the Financial Statements

Our opinion

We have audited the financial statements of Thermax International Tanzania Limited ("the Company") which comprise:

- the statement of financial position as at 31 March 2024,
- the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and
- notes to the financial statements, including material accounting policy information

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Thermax International Tanzania Limited as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the companies Act, 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is company information, report by those charged with governance statement of responsibility by those charged with governance and declaration of head of finance. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 on the other information obtained prior to the date of this auditor's report, 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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

We also

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act, 2002 and for no other purposes.

As required by the Companies Act, 2002, we are also required to report to you if, in our opinion, the , report by those charged with governance is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report.

Signed by:

Ali Selemani, ACPA 1874

For and behalf of BDO East Africa

Dar es Salaam, Tanzania

Date: 09 May 2024

THERMAX INTERNATIONAL TANZANIA LIMITED

FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2024
STATEMENT OF FINANCIAL POSITION

	NOTE	2024		2023	
		TZS	Rs. Lacs	TZS	Rs. Lacs
ASSETS					
Non-current assets					
Equipment	10	**541,471**	**0.18**	767,649	0.27
Deferred tax assets	9	**84,149,188**	**27.26**	36,431,916	13.01
		84,690,659	**27.44**	37,199,565	13.28
Current assets					
Trade and other receivables	11	**3,282,381,741**	**1,063.49**	3,497,434,578	1,248.88
Cash balances	12	**732,698,714**	**237.39**	2,010,131,529	717.79
		4,015,080,455	**1,300.89**	5,507,566,107	1,966.66
Total assets		**4,099,771,114**	**1,328.33**	5,544,765,672	1,979.95
EQUITY & LIABILITIES					
Equity and equity components					
Share Capital	13	**600,000,300**	**194.40**	600,000,300	214.25
Retained earnings		**2,546,101,243**	**824.94**	4,092,294,182	1,461.29
Total equity		**3,146,101,543**	**1,019.34**	4,692,294,482	1,675.54
LIABILITIES					
Current liabilities					
Trade and other payables	14	**907,232,844**	**293.94**	705,152,824	251.80
Income tax payables	8(c)	**46,436,727**	**15.05**	147,318,366	52.61
Total liabilities		**953,669,571**	**308.99**	852,471,190	304.40
Total liabilities and equity		**4,099,771,114**	**1,328.33**	5,544,765,672	1,979.95

The financials statements on pages 12 to 31 were authorized for issue by the board of director's and were signed on its behalf by

Bhavesh Kumar Chhed
Director
Date : 09 May 2024

Exchange Rate : as at 31 March 2024 is 1 TZS = Rs 0.0324
Exchange Rate : as at 31 March 2023 is 1 TZS = Rs 0.0357

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	2024		2023	
		TZS	Rs. Lacs	TZS	Rs. Lacs
Revenue	4	**5,924,273,971**	**1,919.46**	6,098,587,675	2,177.71
Other Revenue	5	**444,495,158**	**144.02**	241,866,696	86.37
Total Revenue		**6,368,769,129**	**2,063.48**	6,340,454,371	2,264.07
Staff costs	6	**(2,831,366,869)**	**(917.36)**	(2,490,462,573)	(889.30)
Other operating expenses	7	**(1,582,502,664)**	**(512.73)**	(1,651,818,862)	(589.84)
Depreciation expenses	10	**(226,178)**	**(0.07)**	(321,739)	(0.11)
Total Expenses		**(4,414,095,711)**	**(1,430.17)**	(4,142,603,174)	(1,479.26)
Profit Before Tax		**1,954,673,418**	**633.31**	2,197,851,197	784.82
Tax charges	8(a)	**(607,810,357)**	**(196.93)**	(741,802,933)	(264.89)
Profit/(Loss) for the year		**1,346,863,061**	**436.38**	1,456,048,264	519.93
Other Comprehensive income		**-**	**-**	-	-
Total Comprehensive income		**1,346,863,061**	**436.38**	1,456,048,264	519.93

STATEMENT OF CASH FLOW

	Notes	2024		2023	
		TZS	Rs. Lacs	TZS	Rs. Lacs
Cash flows from operating activities					
Profit after tax		**1,346,863,061**	**436.38**	1,456,048,264	519.93
Adjustment for non-cash items:					
Depreciation	10	**226,178**	**0.07**	321,739	0.11
Income tax expenses	8 (a)	**607,810,357**	**196.93**	741,802,933	264.89
		1,954,899,596	**633.39**	2,198,172,936	784.93
Working capital changes					
Decrease in trade & other receivables		**215,052,837**	**69.68**	2,736,259,708	977.07
Increase/(decrease) in trade & other payables		**202,080,020**	**65.47**	(2,962,285,215)	(1,057.78)
		2,372,032,453	**768.54**	1,972,147,429	704.22
Income tax paid		**(756,409,267)**	**(245.08)**	(733,893,175)	(262.06)
Net cash flows from operating activities		**1,615,623,185**	**523.46**	1,238,254,254	442.16
Cash flows from financing activities					
Dividend paid		**(2,893,056,000)**	**(937.35)**	-	-
Net cash flows from financing activities		**(2,893,056,000)**	**(937.35)**	-	-
Net increase in cash and cash equivalents		**(1,277,432,815)**	**(413.89)**	1,238,254,254	442.16
Movement in cash and cash equivalents					
At start of the year		**2,010,131,529**	**651.28**	771,877,275	275.62
Increase		**(1,277,432,815)**	**(413.89)**	1,238,254,254	442.16
At end of the year		**732,698,714**	**237.39**	2,010,131,529	717.79

STATEMENT OF CHANGES IN EQUITY

	Share Capital		Accumulated Profits		Total	
	TZS	Rs. Lacs	TZS	Rs. Lacs	RM	Rs Lacs
Year ended 31 March 2024						
At Start of the year	600,000,300	194.40	4,092,294,182	1,325.90	4,692,294,482	1,520.30
Changes in share capital	-	-	-	-	-	-
Comprehensive income :						
Profit for the year	-	-	1,346,863,061	436.38	1,346,863,061	436.38
Other Comprehensive income	-	-	-	-	-	-
Total Comprehensive income	**-**	**-**	**1,346,863,061**	**436.38**	**1,346,863,061**	**436.38**
Transactions with Owners						
Dividend paid	-	-	(2,893,056,000)	(937.35)	(2,893,056,000)	(937.35)
At end of the year	**600,000,300**	**194.40**	**2,546,101,243**	**824.94**	**3,146,101,543**	**1,019.34**

	Share Capital		Accumulated Profits		Total	
	TZS	Rs. Lacs	TZS	Rs. Lacs	TZS	Rs. Lacs
Year ended 31 March 2023						
At Start of the year	600,000,300	214.25	2,636,245,918	941.36	3,236,246,218	1,155.61
Changes in share capital	-	-	-	-	-	-
Comprehensive income						
Profit for the year	-	-	1,456,048,264	519.93	1,456,048,264	519.93
Other Comprehensive income	-	-	-	-	-	-
Total Comprehensive income	**-**	**-**	**1,456,048,264**	**519.93**	**1,456,048,264**	**519.93**
At end of the year	**600,000,300**	**214.25**	**4,092,294,182**	**1,461.29**	**4,692,294,482**	**1,675.54**

THERMAX INTERNATIONAL TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Thermax International Tanzania Limited ("the Company") principal activities include manufacture and supply of industrial equipment, erection and commissioning of Power Plant and Substations and is incorporated in Tanzania as a private limited liability Company. The address of its registered office and principal place of business are disclosed on page ii.

2. BASIS OF PREPARATION

The principal accounting policies applied in the preparation of Financial Statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The company Financial Statements are presented in Tanzania Shillings (TZS), which is also the company's functional currency. Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the company's accounting policies. The prior year amounts have been presented to be consistent with the presentation in the current year. The company Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

The preparation of financial statements in compliance with IFRS Accounting Standard requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.1

2.1 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS Accounting Standards requires management, to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Certain accounting policies have been identified where management has applied a higher degree of judgement that have significant effect on the amounts recognized in the financial statements, or estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

2.1.1 Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

a. Assets useful lives and residual values

Property and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed at each financial year end and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account.

2.1.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below

a. Deferred tax assets

Deferred tax assets are recognized to the extent it is possible that taxable income will be available in the future against which they can be utilized. Future taxable profits are estimated based on budgets which include estimates and assumptions regarding economic growth, interest, inflation, tax rates and competitive forces.

b. Impairment of financial assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

In the process of applying the Company's accounting policies, the directors made judgements in determining whether assets are impaired. For trade receivable balances, the directors have determined expected credit loss by assessing individually each trade receivable balance.

Factors considered in making the assessment of whether the balance is impaired are such as past history with the customer, economy of the business and customer relationship with Company at the time of making assessment.

Impairment of trade receivables is further explained in Note 3.4 below.

2.2 Going Concern

The company's financial statements have been prepared on a going concern basis. Directors are of the view that there are sufficient resources for the Company to continue operating in a foreseeable future.

2.3 New Standards and Interpretations

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 April 2023

2.3.1 New and revised Standards and Interpretations that are effective and adopted in the current year.

The following relevant Standards and Interpretations have been applied in these financial statements. However, they did not have any impact on the Company's financial statements but may impact the accounts for future transactions or arrangements.

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively). Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose "significant accounting policies" with "material accounting policy information". The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore require disclosure. These amendments have no effect on the measurement or presentation of any items in the company financial statements but affect the disclosure of accounting policies.

Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. These amendments had no effect on the financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary difference.

These amendments had no effect on the financial statements.

International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules. Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023. These amendments had no effect on the financial statements.

Standards and Interpretations in issue but not yet effective

There are a number of standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

Standard/Interpretation	Effective Date Years beginning on or after	Expected Impact
IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)	January 1, 2024	Unlikely there will be a material impact
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)	January 1, 2024	Unlikely there will be a material impact
IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)	January 1, 2024	Unlikely there will be a material impact
IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Amendment – Supplier Finance Arrangements)	January 1, 2024	Increased disclosure in the notes to cash flows and financial instruments around supplier finance arrangements
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment – Lack of Exchangeability)	January 1, 2025	Unlikely there will be a material impact

3. MATERIAL ACCOUNTING INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Tanzania Shilling ("TZS") which is the Company's functional currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss and other comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income or expenses.'

3.2 Revenue recognition

Revenue from contracts with customers is recognized 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 recognized 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.

Revenue is primarily derived from sale of plant commissioning and maintenance services to customers. Revenue is recognized on a time proportion basis under the contracts.

The five-step model stipulated in IFRS 15 Revenue from contracts with customers is applied when accounting for revenue from contracts with customers. The Company accounts for a revenue contract with a customer only when all the following criteria are met:

- Identify contracts with customers
- Identify the separate performance obligation
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and

- Recognise the revenue as each performance obligation is satisfied.

It is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

3.3 Equipment

Property and equipment are stated at historical cost less depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent 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 de-recognised. All other repairs and maintenance are charged to the statement of profit or loss in during the financial period in which they are incurred.

Depreciation on items of equipment is calculated using diminishing value method to allocate their cost to the residual values over their estimated useful lives, as follows:

ASSET TYPE	RATE
Office equipment	33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

3.4 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses.

Other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

Prepayments and advances to staff for expenses are not considered as financial assets.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

3.6 Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

3.7 Income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other.

a. Current income tax

The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b. Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.8 Employee benefits

a. Retirement benefits obligations

The Company operates a defined benefit scheme for unionized employees. The Company and all its unionized employees also contribute to the National Social Security Fund, which qualifies to be a defined contribution scheme.

A defined contribution plan is a pension plan under which the Company pays contributions to a publicly administered pension plan on mandatory basis. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. A defined benefit plan is a retirement benefit plan that is not a defined contribution plan.

b. Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

NOTES TO THE FINANCIAL STATEMENTS

3.9 Share capital

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

3.10 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.12 Financial instruments

All financial instruments are initially recognized at fair value, plus, in the case of financial assets and liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Financial instruments are recognized when the Company becomes a party to the contractual arrangements. All regular way transactions are accounted for on trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place. In the current year, the Company has adopted IFRS 9 and all financial assets and liabilities were classified at amortized cost; and financial liabilities at amortized cost.

Classification and measurement under IFRS 9

Trade and other receivables and bank balances are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial assets or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issued. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI debt investment; FVOCI or FVTPL. The classification depends on the business model applied and the cash flow characteristics of an asset.

Business model : The business model reflects how the Company manages the assets to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets, if neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for assets include past experience on how the cash flows of these assets were collected, how the performance of the assets is evaluated and reported to key management personnel, the risks that affect the performance of the business model (and the financial assets within) and in particular, the way that those risks are managed; and how assets managers are compensated.

Cash flow characteristic of the asset : Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flow and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment. The Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement the related financial asset is classified and measured at FVPL.

Impairment of financial assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of nonfinancial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

3.13 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures.

Financial risk management is carried out by the finance department under policies approved by the Board of Directors.

Market risk

a. Foreign exchange risk

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily US dollar). In addition, the Company has financial assets and liabilities denominated in US dollar. As a result, the Company is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. The effect of foreign currency risk is not significant and therefore management does not hedge against this risk.

b. Price risk

The Company does not hold any financial instruments subject to price risk.

c. Interest rate risk

The Company does not hold any financial instruments subject to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk is managed by the finance department. Credit risk arises from cash at bank and short-term deposits with banks, as well as trade and other receivables.

For banks and financial institutions, only reputable well-established financial institutions are accepted. For trade receivables, the finance department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company does not grade the credit quality of receivables. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The utilization of credit limits is regularly monitored.

Trade receivables are written off where there is no reasonable expectation of recovery indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities.

The Company's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

3.14 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders or issue new shares.

The Company is fully financed by equity as a result it does not monitor capital on the basis of the gearing ratio.

4. REVENUE

	31 March 2024	31 March 2023
	TZS	TZS
Revenue from contract	**5,924,273,971**	6,155,694,242
Work In Progress release	**-**	(57,106,567)
	5,924,273,971	6,098,587,675

5. OTHER INCOME

	31 March 2024	31 March 2023
	TZS	TZS
Interest and penalty reverse	**4,146,204**	39,485,524
Provision reversed-prior period	**-**	32,803,472
Realised exchange gain	**403,595,581**	167,463,269
Unrealised exchange gain	**36,753,373**	2,114,431
	444,495,158	241,866,696

6. STAFF COST

	31 March 2024	31 March 2023
	TZS	TZS
Salaries and wages	**2,237,343,660**	2,044,877,570
National Social Security Fund	**223,734,366**	204,487,757
Skills and Development Levy	**80,701,713**	81,795,104
Workers' compensation	**11,186,719**	10,733,127
Severance pays- Provision	**73,518,109**	-
Employment Taxes	**72,422,660**	-
Work permit	**132,459,642**	148,569,015
	2,831,366,869	2,490,462,573

7. OTHER OPERATING EXPENSES

	31 March 2024	31 March 2023
	TZS	TZS
Unrealised exchange loss on working capital items	**42,742,922**	3,681
Realised exchange loss on working capital items	**24,459,441**	57,548,176
Provision for bad and doubtful debts	**163,101,847**	163,101,847
Miscellaneous	**5,509,825**	9,214,946
Interest and penalties	**4,345,478**	6,988,051
Power & fuel	**41,797,491**	37,305,165
Professional fees	**108,963,002**	70,797,812
Rates & taxes	**38,786,104**	35,709,047
Marketing	**7,071,552**	-
Internet and communication	**2,905,000**	3,024,000
Office expenses	**3,049,246**	1,084,835
Hotel charges	**222,203,390**	248,228,661
Repair and maintenance	**-**	10,000
Site expenses	**757,243,142**	869,201,157
Staff welfare	**1,038,500**	731,200
Travel	**159,285,724**	148,870,284
	1,582,502,664	1,651,818,862

8. TAXATION

	2024	2023
	TZS	TZS
(a) Current tax expenses		
Current tax - current year	**655,527,629**	696,694,093
Prior year under provision	**-**	81,040,859
Deferred tax credit	**(47,717,272)**	(35,932,019)
	607,810,357	741,802,933
(b) Tax reconciliation		
Profit Before tax	**1,954,673,418**	2,197,851,197
Theoretical tax charge i.e. 30% of profit before tax	**586,402,025**	659,355,359
Explained by:		
Permanent disallowable expenses	**21,197,793**	2,096,415
Prior year under provision	**-**	81,040,859
Unrecognized provision for deferred income tax asset	**-**	(689,700)
Prior year under provision of deferred	**210,539**	-
	607,810,357	741,802,933

NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
	TZS	TZS
(c) Tax balance		
As at 1 April	**147,318,366**	103,476,589
Current tax	**655,527,629**	696,694,093
Tax Payment	**(728,018,580)**	(652,852,316)
Payment for additional assessment	**(28,395,687)**	-
As at 31 March	**46,436,727**	147,318,366

9. DEFERRED TAX

	31 March 2024	31 March 2023
	TZS	TZS
At the beginning of the year	36,431,916	499,897
Deferred tax expense/ (charge)	47,927,811	35,242,319
Prior year under provision	(210,539)	689,700
As at 31 March 2024	**84,149,188**	36,431,916

Deferred income tax assets and deferred income tax charge in profit or loss are attributable to the following items

	31 March 2024	31 March 2023	Movement
	TZS	TZS	TZS
Temporary differences on PPE	**541,471**	**767,649**	**(226,178)**
Exchange gain	36,753,373	2,114,431	34,638,942
Provisions	(399,721,804)	(163,101,847)	(236,619,957)
Exchange loss	(42,742,922)	(3,681)	(42,739,241)
Prior year interest, penalty &other adjustments	124,672,587	39,485,524	85,187,063
Total other temporary differences	**(280,497,295)**	**(120,737,924)**	**(159,759,371)**
Deferred tax (asset)/liability @ 30%	**(84,149,188)**	**(36,221,377)**	**(47,927,811)**
Prior year over deferred	-	(210,539)	(210,539)
Deferred tax (asset)/ liability @ 30%	(84,149,188)	(36,431,916)	(47,717,272)

10. PROPERTY AND EQUIPMENT

	EFD machine	Printer	Total
	TZS	TZS	TZS
COST			
At 1 April 2023	585,000	650,000	1,235,000
Addition	-	-	-
At 31 March 2024	**585,000**	**650,000**	**1,235,000**
DEPRECIATIONS			
At 1 April 2023	231,878	235,473	467,351
Charge for the year	108,375	117,803	226,178
At 31 March 2024	**340,253**	**353,276**	**693,529**
NET BOOK VALUES			
At 31 March 2024	**244,747**	**296,724**	**541,471**

	EFD machine	Printer	Total
	TZS	TZS	TZS
COST			
At 1 April 2022	585,000	650,000	1,235,000
Addition	-	-	-
At 31 March 2023	**585,000**	**650,000**	**1,235,000**
DEPRECIATIONS			
At 1 April 2022	(83,877)	(61,735)	(145,612)
Charge for the year	(148,001)	(173,738)	(321,739)
At 31 March 2023	**(231,878)**	**(235,473)**	**(467,351)**
NET BOOK VALUES			
At 31 March 2024	**353,122**	**414,527**	**767,649**

None of these items of equipment have been pledged as security against liability

11. TRADE AND OTHER RECEIVABLES

	31 March 2024	31 March 2023
	TZS	TZS
Trade receivable	**2,853,237,405**	2,971,226,799
Work in progress	**494,248,022**	494,248,023
Less: Provision for impairment losses	**(326,203,695)**	(163,101,848)
	3,021,281,732	3,302,372,974
Prepayments	**176,575,085**	110,536,680
Value added tax	**84,104,924**	84,104,924
Other receivables	**420,000**	420,000
	3,282,381,741	3,497,434,578

12. CASH AND CASH EQUIVALENTS

	31 March 2024	31 March 2023
	TZS	TZS
Cash and Cash Equivalents		
Balance with Banks	**731,847,059**	2,008,032,543
Petty Cash	**851,655**	2,098,986
	732,698,714	2,010,131,529

13. SHARE CAPITAL

Authorized:		
6,325,000 (2023: 6,325,000) authorized ordinary shares of TZS 100 each	**632,500,000**	632,500,000
Issued and fully paid:		
6,000,003 (2023: 6,000,003) ordinary shares, issued and fully paid, of TZS 100 each	**600,000,300**	600,000,300

14. TRADE AND OTHER PAYABLES

	31 March 2024	31 March 2023
	TZS	TZS
Trade payables	**517,912,704**	490,277,964
Accrued expenses	**153,538,733**	17,517,200
Other payables	**235,781,407**	197,357,660
	907,232,844	705,152,824

15. RELATED PARTY TRANSACTION AND BALANCE

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

All transactions with related parties are made at an arm's length in the normal course of business and on normal commercial terms and conditions.

	31 March 2024	31 March 2023
	TZS	TZS
i) Payments made on behalf of the entity		
Thermax Limited	**1,916,638**	-
ii) Purchase of services		
Thermax Babcock and Wilcox Energy Solutions Ltd.	**23,907,379**	
Thermax Limited	**16,076,767**	7,649,800
	39,984,146	7,649,800
iii) Amount due to related parties		
Thermax Instrumentation Limited	**376,721,609**	338,866,015
Thermax International Limited (Mauritius)		743,821
Thermax Babcock and Wilcox Energy Solutions Ltd	**20,321,272**	-
	397,042,881	339,609,836
iv) Dividend to paid to related Parties		
Thermax International Limited (Mauritius)	**2,893,054,071**	-
	2,893,054,071	-
v) Dividend due to Directors		
Bhavesh Kumar Chheda	**434**	-
Kirtiraj Rajendra Jilkar	**1,302**	-
	1,737	-

i) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all Directors.

The Company does not have the following schemes for its key personnel management.

- Post-employment benefits -NA-
- Other long-term benefits -NA-
- Termination benefits -NA-
- Share-based payment benefits- Only Dividend to Directors.

No remuneration of Directors and other key members of management during the year.

16. COMMITMENT AND CONTIGENT LIABILITIES

There were no contingent liabilities that occurred during the year or subsequent to the year-end, which required disclosure or adjustment to the financial statements.

17. EVENTS AFTER THE REPORTING PERIOD

At the date of signing the financial statements, the directors are not aware of any other matter or circumstance arising since the date of the end of the reporting period, not otherwise dealt in these financial statements, which significantly affected the financial position of the Company and results of its operations.

Thermax Engineering Construction FZE

Board of Directors
Shekhar Kashalikar
(* Resigned effectively from Sept. 30,2023)
Pravin Karve
Sandeep Mandke

Registered and Corporate Office
Dangote Industries Free Zone Development Company
Lagos Free Zone
Lekki Costal Road, Ibeju-Lekki
Lagos

Independent auditor
PricewaterhouseCoopers
Chartered Accountants
Landmark Towers
5B Water Corporation Road
Victoria Island
Lagos

Bankers
Citi Bank Nigeria Limited
27 Kofo Abayomi Street
Victoria Island
Lagos

Independent auditor's report

To the Members of Thermax Engineering Construction FZE

Report on the audit of the financial statements

Our opinion

In our opinion, Thermax Engineering Construction FZE's ("the enterprise's") financial statements give a true and fair view of the financial position of the enterprise as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Nigerian Export Processing Zones Authority (NEPZA) Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Thermax Engineering Construction FZE's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 March 2024;
- the statement of financial position as at 31 March 2024;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Enterprise in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA code.

Other information

The directors are responsible for the other information. The other information comprises Corporate information, Statement of value added and Five-year financial summary but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the 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 the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Nigerian Export Processing Zones Authority (NEPZA) Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the enterprise'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 the directors either intend to liquidate the enterprise or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the enterprise's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the enterprise's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 enterprise'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 enterprise to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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

Report on other legal and regulatory requirements

The Investment Procedures, Regulations and Operational Guidelines for Free Zones in Nigeria issued pursuant to Section 10(4) of the Nigerian Export Processing Zones Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) the accounts have been properly prepared in accordance with these Regulations;

ii) the accounts give a true and fair view, in the case of the statement of financial position of the enterprise, of the state of affairs of the enterprise at the end of its financial year;

iii) the accounts give a true and fair view, in the case of the statement of profit or loss and other comprehensive income of the enterprise for the year end.

For: PricewaterhouseCoopers May 2024

Chartered Accountants

Lagos, Nigeria

Engagement Partner: Yinka Yusuf
FRC/2013/PRO/ICAN/00000005161

Statement of Profit and Loss and Other Comprehensive Income

	NOTE	31 March 2024		31 March 2023	
		N'000	Rs Lacs	N'000	Rs Lacs
Revenue	5	1,956,076	1,242.46	443,289	792.07
Cost of sales	6	(116,113)	(73.75)	(193,841)	(346.36)
Operating expenses	7	(509,378)	(323.55)	(228,993)	(409.16)
Other income	8	37,979	24.12	5,343	9.55
Profit for the year		**1,368,564**	**869.28**	**25,798**	**46.10**
Other comprehensive Income					
Item that may be reclassified subsequently to profit & Loss:					
Foreign Currency translation reserve	14	1,396,273	886.88	(520)	(0.93)
Total comprehensive Income		**2,764,837**	**1,756.17**	**25,278**	**45.17**
Earnings per share (Naira/Rupees)		27,648	17.56	253	0.45

The notes on pages 9 to 24 form an integral part of these financial statements.

Statement of Financial Position

	NOTE	31 March 2024		31 March 2023	
		N'000	Rs Lacs	N'000	Rs Lacs
ASSETS					
Current assets					
Cash and cash equivalents	11	274,016	174.05	157,410	281.26
Trade receivables	12	3,147,898	1,999.48	367,253	656.21
Other current assets	13	67,910	43.14	19,377	34.62
Total assets		**3,489,824**	**2,216.67**	**544,040**	**972.09**
LIABILITIES					
Current liabilities					
Accruals, provisions and other liabilities	9	123,203	78.26	96,779	172.92
Trade payables	10	252,396	160.32	97,873	174.88
Total current liabilities		**375,599**	**238.57**	**194,652**	**347.80**
EQUITY					
Share capital and share premium	4	30,565	19.41	30,565	54.61
Foreign currency transaltion reserve	4	1,530,844	972.36	134,571	240.45
Retained earnings		1,552,816	986.32	184,252	329.22
Total equity		**3,114,225**	**1,978.09**	**349,388**	**624.29**
Total equity and liabilities		**3,489,824**	**2,216.67**	**544,040**	**972.09**

The financial statements on pages 5 to 26 were approved and authorised for issue by the board of directors on 06th May, 2024 and were signed on its behalf by:

Sandeep Mandke
Director

Pravin Karve
Director

The notes on pages 9 to 24 form an integral part of these financial statements.

Thermax Engineering Construction FZE

Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

	Notes	Attributable to equity holders of the Company							
		Share Capital		Currency Translation Reserve		Retained earnings		Total Equity	
		N'000	Rs Lacs	N'000	Rs Lacs	N'000	Rs Lacs	N'000	Rs Lacs
Balance at 1 April 2022		30,565	19.41	135,091	85.81	527,677	335.17	693,333	440.39
Foreign currency translation reserve	14	-	-	(520)	(0.33)	-	-	(520)	(0.33)
Profit for the period		-	-	-	-	25,798	16.39	25,798	16.39
Dividend Paid		-	-	-	-	(369,223)	(234.52)	(369,223)	(234.52)
Balance at 31 March 2023		**30,565**	**19.41**	**134,571**	**85.48**	**184,252**	**117.03**	**349,388**	**221.92**
Balance at 1 April 2023		30,565	19.41	134,571	85.48	184,252	117.03	349,388	221.92
Foreign currency translation reserve	14	-	-	1,396,273	886.88	-	-	1,396,273	886.88
Profit for the period		-	-	-	-	1,368,564	869.28	1,368,564	869.28
Dividend Paid		-	-	-	-	-	-	-	-
Balance at 31 March 2024		**30,565**	**19.41**	**1,530,845**	**972.36**	**1,552,815**	**986.32**	**3,114,225**	**1,978**

The notes on pages 9 to 24 form an integral part of these financial statements.

STATEMENT OF CASH FLOW

	31 March 2024		31 March 2023	
	N'000	Rs Lacs	N'000	Rs Lacs
Cash flows from operating activities				
Profit on ordinary activities before taxation	**1,368,564**	**869.28**	25,798	46.10
Foreign currency translation reserves	1,396,273	886.88	(520)	(0.93)
	2,764,837	**1,756.17**	25,278	45.17
Changes in working capital:				
Increase in trade receivable	26,424	16.78	7,327	13.09
Increase in other current Assets	154,523	98.15	19,698	35.20
Increase in trade payables	(2,780,645)	(1,766.21)	(43,394)	(77.54)
Increase in accruals, provisions and other liabilities	(48,533)	(30.83)	(14,350)	(25.64)
Net cash outflow used in operating activities	**116,606**	**74.07**	(5,439)	(9.72)
Cash flows from investing activities				
Dividend paid	-	-	(369,223)	(659.73)
Net cash inflow from Investing activities	**-**	**-**	**(369,223)**	**(659.73)**
Net increase in cash and cash equivalents	116,606	74.07	(374,662)	(669.45)
Cash and cash equivalents at the beginning of the year	157,410	99.98	532,072	950.71
Cash and cash equivalents at the end of the year	**274,016**	**174.05**	157,410	281.26

The notes on pages 9 to 24 form an integral part of these financial statements.

1 General information

Thermax Engineering Construction FZE was incorporated in Nigeria Export Processing Zone Authority (NEPZA) as an Enterprise in LEKKI FZE in 2018. The Enterprise is domiciled in Nigeria and the address of its registered office is:

Dangote Industries Free Zone Development Company

Lagos Free Zone

Lekki Costal Road, Ibeju-Lekki

Lagos

Thermax Engineering Construction FZE was incorporated on 31 August 2018 to carry on the business of equipments installation, erection & commissioning, providing all technical and supervision services, deputing sub contractors and any other work in relation to & incidental to perform these activites.

2 Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements of Thermax Engineering Construction FZE have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by National regulations is included where appropriate.

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in thousands of Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Enterprise's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Enterprise's financial statements therefore present the financial position and results fairly.

2.2.1 Going concern

The financial statements have been prepared on a going concern basis. The directors are of the opinion that the Enterprise will continue to be in operation in the nearest future. There is no intention on their part to liquidate the entity or to significantly curtail its activities.

The directors have no doubt that the Enterprise would remain in existence after twelve months from the date these financial statements have been approved.

2..2.2 Changes in accounting policies and disclosures

i) New standards, amendments, interpretations adopted by the Enterprise

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations.

IAS 8 Amendments on Accounting Estimates
Issued: 12 February 2021(Effective 1 April 2023)

On 12 February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 April 2023.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Enterprise. Other amendments and standards are not deemed to relate to the transactions of the Enterprise.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. 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 may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement.

ii) New standards, amendments, interpretations issued but not yet effective

At the date of authorisation of this financial statement, certain new IFRS standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Enterprise. Management anticipates that all of the relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement.

Information on new standards, amendments and interpretations that are expected to be relevant to the Enterprise's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Enterprise's financial statements.

The amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) issued on 23 January 2020 (effectives 01 January 2024)

On 23 January 2020, the IASB issued 'Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They are:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period"

- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.

Non-current Liabilities with Covenants (Amendments to IAS 1) Effective from 01 January 2024

In November 2022, the IASB issued some amendments to IAS 1 that aim to improve disclosures about long-term debt with covenants. IAS 1 requires an entity to classify debt as current if it is unable to avoid settling the debt within 12 months after the reporting date. However, the entity may need to comply with covenants during that same period, which may question whether the debt should be classified as non-current. For example, a long-term debt may become current if the entity fails to comply with the covenants during the 12-month period after the reporting date.

The amendments set out in 'Non-current Liabilities with Covenants (Amendments to IAS 1)' state that at the reporting date, the entity does not consider covenants that will need to be complied with in the future, when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements.

The IASB wants these amendments to enable investors to understand the risk that such debt could become repayable early and therefore improving the information being provided on the long-term debt.

The amendments are applicable for reporting periods beginning on or after 1 January 2024, with early application permitted. If the amendments are applied in an earlier period, this should be disclosed. The effective date coincides with that of the amendments to IAS 1 previously issued in 2020 'Classification of Liabilities as Current or Non-current.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) Effective from 01 January 2024

In September 2022, the IASB issued amendments to IFRS 16, adding requirements for accounting for a sale and leaseback after the date of the transaction.

The IASB has now issued additional guidance in IFRS 16 on accounting for sale and leaseback transactions. Previously IFRS 16 only included guidance on how to account for sale and leaseback transactions at the date of the transaction itself. However, the Standard did not specify any subsequent accounting when reporting on the sale and lease back transaction after that date.

As a result, without further requirements, when the payments include variable lease payments there is a risk that a modification or change in the leaseback term could result in the seller-lessee recognising a gain on the right of use they retained even though no transaction or event would have occurred to give rise to that gain.

Consequently, the IASB decided to include subsequent measurement requirements for sale and leaseback transactions to IFRS 16

The amendments are applicable for reporting periods beginning on or after 1 January 2024, with early application permitted. If the amendments are applied in an earlier period, this should be disclosed.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) Effective from 01 January 2024

In May 2023, the IASB amended IAS 7 'Cash flow Statements' and IFRS 7 'Financial Instruments: Disclosures' through the increase of disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments require additional disclosures that complement the existing disclosures in these two Standards. They require entities to disclose:

- ranges of payment due dates
- liquidity risk information.

These additional disclosure requirements address investors wanting more visibility around supplier finance arrangements, which in some jurisdictions around the world are better known as reverse factoring arrangement.

Lack of Exchangeability (Amendments to IAS 21) Effective from 01 January 2025

In August 2023, the IASB amended IAS 21 'The Effects of Changes in Foreign Exchange Rates' to clarify the approach that should be taken by preparers of financial statements when they are reporting foreign currency transactions, translating foreign operations, or presenting financial statements in a different currency, and there is a long-term lack of exchangeability between the relevant currencies.

The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increases the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements. The amendments:

- introduce a definition of whether a currency is exchangeable, and the process by which an entity should assess this exchangeability

- provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable

- require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability, including the nature and financial impact of the lack of exchangeability, and details of the spot exchange rate used and the estimation process.

The additional disclosure requirements provide useful information about the additional level of estimation uncertainty, and risks arising for the entity due to the lack of exchangeability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods or services stated net of value added taxes (VAT). Sale of services are recognised in the period in which the costs incurred in providing the services are recognised.

Revenue comprises the net value of goods and services invoiced to third parties after deduction of any trade discounts and VAT. Turnover from sale is recognised upon transfer to control to the buyer.

A valid contract is recognised as revenue after:

- The contract is approved by the parties.

- Rights and obligations are recognised.

- Collectability is probable.

- The contract has commercial substance.

- The payment terms and consideration are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Enterprise is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

2.4 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated.

2.5 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Enterprise pays fixed contributions into separate entities such as National Pension Commission on a mandatory, contractual or voluntary basis. The Enterprise has no further payment obligations once the contributions have been paid.

2.6 Trade, other receivables and assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. The normal credit term is 7-90 days upon delivery. The Enterprise has applied the simplified approach for trade and other receivables upon the adoption of IFRS 9 and follows an Expected Credit Losses ('ECLs') approach for measuring the allowance of its trade receivables. The expected loss rate is assessed on the basis of historical credit losses of 36 months before 31 March 2024 and adjusted to reflect current and forward-looking information. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Enterprise expects to receive. The carrying amount of the receivable is reduced by the amount of the provision, which is recognised as part of operating expenses.

If a trade receivable ultimately becomes uncollectible, it is written off initially against any provision made in respect of that receivable with any excess recognised as part of operating expenses. Subsequent recoveries of amounts previously written off or provisions no longer required are credited against operating expenses. Loans are initially recognised at the fair value net of transaction costs incurred. After initial recognition, all interest-bearing loans are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method whereby any discount, premium or transaction costs associated with a loan are amortised to the income statement over the borrowing period.

2.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include deposits with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.8 Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.9 Provisions

Provisions are recognised when: the Enterprise 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.

Where the Enterprise expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset only when such reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.10 Financial assets and liabilities

Financial assets and liabilities (i.e. financial instruments) are recognized when the Enterprise becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and Thermax Nigeria Limited has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.10.1 Classification

Management determines the classification of its financial instruments at initial recognition.

(i) Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within twelve months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. Thermax FZE's loans and receivables comprise trade, customer advances and other receivables in the statement of financial position.

(iii) Financial liabilities at amortized cost

Financial liabilities at amortized cost include trade payables, bank debt and other long-term debts

2.10.2 Recognition and measurement

(i) Financial assets and liabilities at fair value through profit or loss

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the income statement. Gains and losses arising from changes in fair value are presented in the statement of income within "other gains and losses (net)" in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which are classified as long-term.

(ii) Loans and receivables

Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Transaction costs are added to the fair value of the financial asset on initial recognition. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

2.11 Offsetting financial assets and financial liabilities

The Enterprise offsets financial assets and financial liabilities to the net amount reported in the balance sheet when it currently has a legally enforceable right to offset the recognised amounts and it intends to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Enterprise or the counterparty.

2.12 Impairment of financial assets

The Enterprise assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital accounts.

2.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the year multiplied by a time-weighting factor. Diluted earnings per share incorporates potentially diluted shares at the statement of financial position date.

2.15 Foreign currency translation

(i) Functional and presentation currency

The Enterprise functional currency is in US Dollars, which is different from the presentation currency of this Financial Statements. The Financial Statements was prepared in Nigerian Naira, rounded to the nearest thousand, which is the reporting economic environment for Thermax Engineering Construction FZE.

The monetary items are translated using the closing rate (exchange rate at the end of the reporting period), while non-monetary items measured on the basis of historical cost which is the exchange rate at the date of the transaction and the statement of profit or loss item translated using the average rate for the current year.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions, and from translation of monetary assets and liabilities denominated in currencies other than the entity's functional currency at year end exchange rates, are recognized in the income statement.

2.16 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

2.17 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Enterprise's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements.

3 Financial risk management

The Enterprise's activities expose it to financial risk - credit risk, liquidity risk and market risk. Risk management is carried out by management, management identifies and evaluates the financial risks in co-operation with the Enterprise's operating units and; provides written principles for overall risk management, as well as written policies covering specific areas. The Enterprise's overall risk management program seeks to minimize potential adverse effects on the Enterprise's financial performance.

3.1 Credit risk management

Credit risk is the risk that financial loss arises from the failure of a counterparty to meet its obligations under a contract. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The balances exposed to credit risk are as disclosed below:

	March 31, 2024	March 31, 2023
	N'000	N'000
Trade and other receivables (Note 12)	**3,147,898**	**367,253**
Cash and cash equivalents (Note 11)	274,016	157,410
Financial assets bearing credit risk	**3,421,914**	**524,663**

Below is the breakdown of trade and other receivables that are neither past due nor impaired and past due but not impaired.

	March 31, 2024	March 31, 2023
	N'000	N'000
Neither past due nor impaired:		
Trade receivables	3,016,203	321,679
Due from related parties	131,696	45,575
	3,147,899	**367,254**

Impairment of financial assets

The Company's financial assets that are subject to IFRS 9's new expected credit loss model are as follows:

- Trade receivables
- Amount due from related parties and;
- Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Company applies the simplified approach in measuring the expected credit losses (ECL) which calculates a lifetime expected loss allowance (ECL) for all trade receivables. Trade receivables represent the amount receivable from customers for the sale of goods in the ordinary course of business. The expected credit loss for trade receivables is determined using a provision matrix approach.

The expected loss rates are as follows:

	Current (not past due)	Less than 12 months past due	More than 12 months past due	Total
	N'000	N'000	N'000	N'000
31 March 2024				
Gross carrying amount*	501,885	2,458,051	524,915	3,484,851
Default rate	0%	0.00%	64.19%	
Lifetime ECL	-	-	(336,953)	(336,953)
Net trade receivables	**501,885**	**2,458,051**	**187,962**	**3,147,898**

	Current (not past due)	Less than 12 months past due	More than 12 months past due	Total
	N'000	N'000	N'000	N'000
31 March 2023				
Gross carrying amount*	184,098	94,938	144,887	423,923
Default rate	0%	0.00%	39.11%	-
Lifetime ECL	-	-	(56,670)	(56,670)
Net trade receivables	**184,098**	**94,938**	**88,217**	**367,253**

Trade receivables

	March 31, 2024	March 31, 2023
	N'000	N'000
Gross carrying amount as at 1 April	423,923	336,926
Opening balance exchange difference	669,379	36,144
Additions during the year	3,122,512	590,374
Receipts for the year	(730,963)	(539,521)
Gross carrying amount as at 31 March	**3,484,851**	**423,923**

Amounts due from related parties

Trade receivables represent fee income due from related parties for the provision of services in the ordinary course of business. Credit terms for related entities are determined on individual basis and the Company does not require collateral in respect of intercompany receivables.

The Company has applied a general approach in computing the Expected Credit Loss (ECL) for intercompany receivables. The company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including audited financial statements, cashflow projections), applying experienced judgement and historical default rates. Lifetime probabilities of default are determined based on available data which reflects the loss rate of the related party

Intercompany receivables and payables are offset and the net amount presented in the Statement of Financial Position when, and only when the Company has a legally enforcable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

	March 31, 2024	March 31, 2023
	N'000	N'000
Gross carrying amount as at 1 April	45,575	41,160
Opening balance exchange difference	86,121	4,415
Additions during the year	-	-
Receipts for the year	-	-
Gross carrying amount as at 31 March	**131,696**	**45,575**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates and the credit policy of the Enterprise.

Cash and bank balance fall under neither past due nor impaired.

Fitch ratings of cash and bank balances are:

<u>Fitch ratings of cash and bank balances are:</u>

	March 31, 2024	March 31, 2023
	N'000	N'000
B+	**274,016**	**157,410**

“'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories. This is based on Fitch national long-term rating.

3.2 Liquidity risk

3.2.1 Management of liquidity risk

Cash flow forecasting is performed by the finance department. The finance department monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its borrowing facilities.

The Enterprise evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Enterprise devises strategies to manage its liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available through an adequate amount of committed credit facilities. The Enterprise has no limitation placed on its borrowing capability.

The table below analyses the Enterprise's financial liabilities into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2024

	Less than 3 months	Between 3 months and 1 year	Over 1 year	Total
	N'000	N'000	N'000	N'000
Accruals, provisions and other liabilities (Note 9)	-	123,203	-	**123,203**
Trade payables	-	252,396	-	**252,396**
	-	**375,599**	**-**	**375,599**

At 31 March 2023

	Less than 3 months	Between 3 months and 1 year	Over 1 year	Total
	N'000	N'000	N'000	N'000
Accruals, provisions and other liabilities (Note 9)	-	96,779	-	**96,779**
Trade payables	-	97,873	-	**97,873**
	-	**194,652**	**-**	**194,652**

3.3 Market risk

3.3.1 Management of market risk

Market risk is the risk of change in the fair value of financial instruments due to changes in interest rates and foreign exchange rates.

(i) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. The Enterprise's exposure to interest rate risk relates primarily to a long term borrowing from banks. There are no borrowings as the end of the year (2023: Nil).

(ii) *Foreign exchange risk*

The Enterprise is exposed to foreign exchange risk arising from commercial transactions. There are no balances exposed to exchange risk at the end of the year (2023: Nil).

Sensitivity

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. There are no foreign denominated balances that are exposed to fluctuations in foreign exchange rates.

The sensitivity of the Enterprise's earnings to fluctuations in exchange rates is reflected by varying the exchange rates as shown below:

	March 31, 2024	March 31, 2023
	N'000	N'000
Impact on profit or loss:		
Increase in US Dollars exchange rate against NGN +20%	696,970	84,785
Decrease in US Dollars exchange rate against NGN -20%	(696,970)	(84,785)

(iii) Price risk

Price risk is the risk that prices of internationally traded commodities or equity prices will change. The Enterprise does not trade in quoted securities and commodities.

3.4 Capital risk management

The Enterprise's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Enterprise may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Enterprise monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. However, the Enterprise does not currently have any borrowings.

3.5 Fair value hierarchy

IFRS 13 requires the Enterprise to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. A description of the fair value hierarchy is detailed below:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All the Enterprise's financial assets and liabilities are measured at amortized cost. The fair values are within level 2 of the fair value hierarchy.

3.5 Fair value hierarchy

Financial instruments by category

Financial assets and liabilities have been classified into categories that determine their basis of measurement and for items measured at fair value.

(i) Financial assets classified as loans and receivables

The carrying value of the Enterprise's financial assets as at 31 March 2024 is the same as its fair value.

(ii) Financial liabilities carried at amortised cost

The carrying value of the Enterprise's financial liabilities as at 31 March 2024 is the same as its fair value.

4 Share capital

The Enterprise has only one class of shares; ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	March 31, 2024	March 31, 2023
	N'000	N'000
Authorised and issued		
100,000 ordinary shares of $1 each using NGN305.65 exchange rate	30,565	30,565
Paid-up Capital:		
1000 ordinary shares of $ 1 each	-	-

Details for the Enterprise's shares is as follows :

The Enterprise has allotted shares of 100,000 at $ 1 each which is N30,565,000 in Naira of which N30,565,000 are currently allotted to Thermax Engineering Construction Co. Ltd using historical rate as the date the transaction was done of which N305,650 has been paid.

5 Revenue

Thermax FZE revenue comprises management, supervision and commissioning fee, etc earned from contract services provided by the Enterprise to its customer.

	March 31, 2024	March 31, 2023
	N'000	N'000
Sale of Service	1,956,076	382,628
Sale from Operation	-	60,661
	1,956,076	**443,289**

6 Cost of sales

Thermax FZE cost of sales comprises erection expenses, material expenses, and other related costs that are incurred directly on sales and provision of services.

	March 31, 2024	March 31, 2023
	N'000	N'000
Erection expenses	116,113	193,841
	116,113	**193,841**

7 Operating expenses

	March 31, 2024	March 31, 2023
	N'000	N'000
Travel expenses	4,599	10,609
Contracted employee cost	91,465	40,335
Statutory audit fee	12,828	7,752
Professional fee	11,806	1,840
Tax fee	2,848	-
Loss allowance - Trade receivable	112,625	44,128
Rent	15,792	7,498
Operating license fees	567	2,163
Vehicle Repairs and Maintenance	16,733	2,676
Bank charges	6,307	8,044
Other Expenses	4	726
Exchange Loss	27	0.30
Safety	4,019	2,487
Communication Expense	7,406	4,462
Rate and Taxes	55,297	11,728
Dearness Allowance	106,226	55,466
Guest House Expenses	-	3,016
Printing and Stationary	3,800	2,855
Site Expenses	32,285	10,184
Visa Expenses	24,744	13,024
	509,378	**228,993**

8 Other income

	March 31, 2024	March 31, 2023
	N'000	N'000
Interest Income	173	191
Other Income	-	4,255
Exchange Gain	30,120	897
Penalty Charge-CBCR Late Filing	7,686	-
	37,979	**5,343**

9 Accruals, provisions and other liabilities

This represents accruals for professional services, audit fees, secretarial fees and other liabilities incurred during the year.

	March 31, 2024	March 31, 2023
	N'000	N'000
Advance Customer payment	-	38,348
Audit fee payable	6,578	3,733
Other expenses payable	116,625	54,698
	123,203	**96,779**

10 Trade payables

This represents payables incurred during the year.

	March 31, 2024	March 31, 2023
	N'000	N'000
Account payable	141,263	82,507
Thermax Engineering Construction Ltd	111,133	10,884
Thermax Limited	-	4,482
	252,396	**97,873**

11 Cash and cash equivalents

	March 31, 2024	March 31, 2023
	N'000	N'000
Cash and cash equivalents	274,016	157,410
Cash at bank	**274,016**	**157,410**

12 Trade and other receivables

	March 31, 2024	March 31, 2023
	N'000	N'000
Trade receivables	3,353,155	378,348
Due from related parties	131,696	45,575
Total Trade and other receivables	**3,484,851**	**423,923**
Less Allowances for Impairment:		
ECL	336,953	56,670
Total Allowance	**336,953**	**56,670**
Net Trade and other receivables	**3,147,898**	**367,253**

13 Other current assets

	March 31, 2024	March 31, 2023
	N'000	N'000
Contract In Progress - Domestic	40,838	14,132
Prepayment - Rent	19,866	5,053
Prepayment - Operating License Fees and others	7,206	192
	67,910	**19,377**

14 Foreign currency translation reserves

This represents the exchange differences arising as a result of translation from functional currency which is dollar to presentation currency which is Nigerian Naira. Hence, the significant swing from March 2023 compared with the current year is attributed to exchange rate differences.

	March 31, 2024	March 31, 2023
	N'000	N'000
Exchange differences on translation	1,396,273	(520)
	1,396,273	**(520)**

	March 31, 2024	March 31, 2023
Translation rate		
Historical rate	305.65	305.65
Average rate	865.03	434.38
Closing rate	1,330.26	460.35

15 Employee information

The Enterprise did not have any employees during the year (2023: Nil).

16 Related parties

The Enterprise is a wholly owned subsidiary of Thermax Engineering Construction Ltd. There are other companies that are related to the Enterprise through common shareholdings or common directorships.

Thermax Limited is Ultimate Holding company of the Enterprise.

a) Sale of goods and services

There were no sales to related parties during the year (2023: Nil).

b) Purchases from related parties

	Relationship	March 31, 2024	March 31, 2023
		N'000	N'000
Thermax Engineering Construction Ltd	Related party	287,994	147,259
Thermax Limited	Related party	-	5,485

Services purchased from Thermax Engineering Construction Ltd are contracted manpower cost, contracted employee cost for April 2023 to March 2024.

Transactions with Thermax Limited pertains to back charges of audit fees.

c) Receivables from related parties

	Relationship	March 31, 2024	March 31, 2023
		N'000	N'000
Thermax Engineering Construction Ltd	Related party	131,696	45,575

Amounts due from Thermax Engineering Construction Ltd in respect of alloted share capital at the year end closing rates.

d) Payable to related parties

	Relationship	March 31, 2024	March 31, 2023
		N'000	N'000
Thermax Engineering Construction Ltd	Related party	111,133	10,884
Thermax Limited	Related party	-	4,482

Amounts due from Thermax Engineering Construction Ltd in respect of alloted share capital at the year end closing rates.

Transactions with Thermax Limited pertains to back charges of audit fees.

e) Key management compensation

Key management personnel of the Enterprise includes the directors. The Directors have waived their rights to receive any compensation from the Enterprise (2023: Nil).

17 Contingent liabilities

At the statement of financial position reporting date, there was no pending litigation arising in the ordinary course of business. The Enterprise had no contingent liability as at the time of this report (2023: Nil).

18 Commitments

The Enterprise had no capital commitments as at 31 March 2024 (2023: Nil).

19 Thermax Babcock & Wilcox Energy Solutions Ltd

There are no direct transactions between Thermax Engineering Construction FZE and Thermax Babcock & Wilcox Solutions Ltd. All the costs are charged to Thermax Engineering Construction Company and Thermax Engineering Construction Company has charged to Thermax Engineering Construction FZE.

20 Events after reporting period

There were no significant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

Statement of value added

Particulars	**31 March 2024**		31 March 2023	
	N'000	**%**	N'000	%
Revenue	1,956,076		443,289	
Other income	37,979		5,343	
Bought in materials and services	1,994,055		448,632	
Brought in materials and services:				
Imported	(1,273,063)		(11,360)	
Local	(1,491,774)		(13,918)	
Value added	**2,764,837**	**100**	**25,278**	**100**
Applied as follows:				
To provide for enhancement of assets and growth:				
Retained profit for the year	**2,764,837**	**100%**	**25,278**	**100%**
Value added	**2,764,837**	**100**	**25,278**	**100**

This statement represents the distribution of the wealth created through the use of the Enterprise's assets through its own and its employees efforts.

Statement of financial position

	31 March 2024	**31 March 2023**	**31 March 2022**	**31 March 2021**	**31 March 2020**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Current assets	3,489,824	544,040	860,959	967,770	444,369
Current liabilities	(375,599)	(194,652)	(167,626)	(187,184)	(182,574)
Net assets	**3,114,225**	**349,388**	**693,333**	**780,586**	**261,795**
Capital employed					
Share capital	30,565	30,565	30,565	30,565	30,565
Retained earnings	3,083,660	318,823	662,768	750,021	231,230
Total equity	**3,114,225**	**349,388**	**693,333**	**780,586**	**261,795**

Statement of profit or loss

	31 March 2024	**31 March 2023**	**31 March 2022**	**31 March 2021**	**31 March 2020**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	1,956,076	443,289	628,503	1,112,437	263,797
Profit for the year	1,368,564	25,798	208,664	491,295	195,377
Total comprehensive income	2,764,837	25,278	280,405	518,791	231,230

THERMAX (THAILAND) LIMITED

Board of Directors
Bhavesh Chheda
Janhavi Khele
Umesh Barde
Dinesh Badgandi

Registered Office
43 Thai CC Tower, 24th Floor,
Room No.245, South Sathorn, Yannawa,
Sub-District,
Sathorn District, Bangkok.

Bankers
Citibank Thailand

Auditors
Morison CKS Company Limited (Head Office)
128/123 Phayathai Plaza Bldg, 11th floor, Unit 11
J, Phayathai Rd., Thangphayathai Ratchathewi,
Bangkok, 10400, Thailand.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Thermax (Thailand) Limited

Opinion

I have audited the financial statements of Thermax (Thailand) Limited (the Company), which comprise the statement of financial position as at March 31, 2024, the statements of income and changes in shareholders' equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

NETILUCK DENSIRIMONGKOL
Certified Public Accountant
Registration No. 5192

MORISON CKS CO., LTD.
Bangkok
April 19, 2024

THERMAX (THAILAND) LIMITED

Statement of Financial Position as at March 31, 2024

Particulars	NOTE	2024		2023	
		Baht	Rs Lacs	Baht	Rs Lacs
CURRENT ASSETS					
Cash and cash equivalents	4	**7,830,943**	**179.57**	85	0.00
Trade and other receivables	5	**18,793,548**	**430.95**	24,264,471	583.63
Other current assets		**41,326**	**0.95**	3,740	0.09
TOTAL CURRENT ASSETS		**26,665,817**	**611.47**	24,268,296	583.72
NON-CURRENT ASSETS					
Equipment	6	**409,016**	**9.38**	246,230	5.92
Refundable deposit		**1,074,190**	**24.63**	1,084,382	26.08
TOTAL NON-CURRENT ASSETS		**1,483,206**	**34.01**	1,330,612	32.01
TOTAL ASSETS		**28,149,023**	**645.48**	25,598,908	615.73
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank Overdraft	7	**-**	**0.00**	1,462,282	35.17
Other payables	8	**1,177,954**	**27.01**	1,427,652	34.34
Income tax payable		**749,057**	**17.18**	749,106	18.02
Other current liabilities	9	**1,507,774**	**34.57**	1,931,105	46.45
TOTAL CURRENT LIABILITIES		**3,434,785**	**78.76**	5,570,145	133.98
NON-CURRENT LIABILITIES					
Employee benefit obligation	10	**1,622,946**	**37.22**	1,339,793	32.23
		1,622,946	**37.22**	1,339,793	32.23
TOTAL LIABILITIES		**5,057,731**	**115.98**	6,909,938	166.20
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
Ordinary shares, 150,000 shares of par Baht 100 each		**15,000,000**	**343.96**	15,000,000	360.79
Issued and paid up share capital					
Ordinary shares, 150,000 shares of par Baht 100 each (Ordinary shares, 150,000 shares of par Baht 25 each)		**15,000,000**	**343.96**	15,000,000	360.79
Retained earning (Deficit)		**8,091,292**	**185.54**	3,688,970	88.73
TOTAL SHAREHOLDERS' EQUITY		**23,091,292**	**529.51**	18,688,970	449.53
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**28,149,023**	**645.48**	25,598,908	615.73

Exchange rate : as at 31 March 2024 is THB = Rs 2.29
Exchange rate : as at 31 March 2023 is THB = Rs 2.40

Statement of income
For the year ended March 31, 2024

Particulars	NOTE	2024		2023	
		Baht	Rs Lacs	Baht	Rs Lacs
REVENUE					
Service income	12	**63,343,630**	**1,452.53**	60,725,151	1,460.62
Other income		**888,486**	**20.37**	32,300	0.78
TOTAL REVENUE		**64,232,116**	**1,472.91**	60,757,451	1,461.40
EXPENSES					
Cost of services		**41,370,041**	**948.66**	43,244,555	1,040.16
Administrative expenses		**17,267,417**	**395.96**	12,535,862	301.52
TOTAL EXPENSES		**58,637,458**	**1,344.61**	55,780,417	1,341.69
NET LOSS FOR THE YEAR / PERIOD		**5,594,658**	**128.29**	4,977,034	119.71
Finance Cost		**(20,939)**	**(0.48)**	(26,244)	(0.63)
PROFIT/(LOSS) BEFORE INCOME TAX		**5,573,719**	**127.81**	4,950,790	119.08
Income tax expense		**(1,171,397)**	**(26.86)**	(1,058,938)	(25.47)
NET PROFIT/(LOSS) FOR THE YEAR		**4,402,322**	**100.95**	3,891,852	93.61

Statement of Changes in Equity For the Year Ended March 31, 2024

Particulars	Issued and paid up share capital		Deficit		Total	
	Baht	Rs Lacs	Baht	Rs Lacs	Baht	Rs Lacs
Balance as at March 31, 2022	15,000,000	343.96	(202,882)	(4.65)	14,797,118	339.31
Net loss for the period	-	-	3,891,852	89.24	3,891,852	89.24
Balance as at March 31, 2023	15,000,000	343.96	3,688,970	84.59	18,688,970	428.56
Net loss for the year	-	-	4,402,322	1 00.95	4,402,322	100.95
Balance as at March 31, 2024	**15,000,000.00**	**343.96**	**8,091,292.00**	**185.54**	**23,091,292.00**	**529.51**

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Thermax (Thailand) Limited was incorporated as a limited company under Thai laws on March 9, 2020. Its majority shareholder is Thermax Engineering Singapore Pte Ltd., a company incorporated in Singapore.

The Company operates its business in Thailand engaged in providing marketing and sale support services to affiliated and group companies, advisory services on business operations and engineering and technical services related to energy and environmental business.

The Company's registered address is at 43 Thai CC Tower, 24th Floor, Room No.245, South Sathorn, Yannawa Sub-District, Sathorn District, Bangkok .

2. Basis of preparation

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-publicly Accountable Entities (TFRS for NPAEs) including the interpretation and accounting guidance promulgated by the Federation of Accounting Professions (FAP) under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547. Their presentation has been made in compliance with the stipulations announced by the Department of Business Development regarding "The Brief Particulars in the Financial Statements B.E. 2554" dated 28 September 2011, under the Accounting Act. B.E. 2543.

During the year, the Company has adopted the revised Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs (Revised 2022)) which is effective for fiscal years beginning on or after January 1, 2023. The standard was revised in order to provide a more complete scope and to provide more options on accounting treatments while maintaining simplicity in application. The adoption of this financial reporting standard does not have any significant impact on the Company's financial statements.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the related amounts of revenues and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

3. Significant accounting policies

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.2 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequent measure at the remaining amount less allowance for doubtful accounts based on a review of all outstanding amounts at year end. The amount of the allowance is the difference between the carrying amount of the receivables and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statements of income.

3.3 Equipment

Equipment are stated at historical cost less accumulated depreciation and losses on decline in value (if any). Depreciation is calculated so as to write - off the cost of the assets on a straight-line basis over their estimated useful lives for 5 years. No depreciation is provided on assets under construction and installation.

3.4 Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised in the statement of income.

3.5 Operating Lease

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of income on a straight-line basis over the lease term.

3.6 Provisions

Provisions, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Employee benefits

Obligations for retired benefits and other long-term employee benefits are recognised using the best estimate method at the reporting date.

3.7 Foreign currencies

Transactions during the year denominated in foreign currencies are translated into Thai Baht at the exchange rates ruling when the transactions were entered into. Monetary assets and liabilities denominated in foreign currencies are translated into Thai Baht at the exchange rates ruling at the statements of financial position date. Exchange gains or losses are included in the statements of income.

3.8 Related parties transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.9 Revenues and expenses

Service income, excluding value add tax, is recognized when service have been rendered taking into account the stage of completion.

Other income and expenses are recognised on the accrual basis.

3.10 Income tax expense

The Company calculates income taxes according to the Revenue Code and records them on the accrual basis.

4. Cash and cash equivalents

	2024	2023
	Baht	Baht
Cash on hand	**18,808**	85
Bank deposits-current accounts	**7,812,135**	-
Total	**7,830,943**	85

5. Trade & Other Receivables

	2024	2023
	Baht	Baht
Trade receivables		
Related parties	**16,697,033**	23,164,023
Other parties	**45,675**	241,828
	16,742,708	23,405,851
Other receivables		
Advance payment	**85,000**	105,000
Prepaid expenses	**1,965,840**	753,620
	2,050,840	858,620
Total	**18,793,548**	24,264,471

6. Equipment

	Furniture and fixtures	Office equipment	Total
	Baht	Baht	Baht
COST			
At start 01/04/23	104,959	242,325	347,284
Additions	-	267,423	267,423
At end 31/03/24	**104,959**	**509,748**	**614,707**
ACCUMULATED DEPRECIATION			
At start 01/04/23	26,576	74,478	101,054
Charge for the year	20,978	83,659	104,637
At end 31/03/24	**47,554**	**158,137**	**205,691**
NBV at start 01/04/23	78,383	167,847	246,230
NBV at end 31/03/24	**57,405**	**351,611**	**409,016**
Depreciation - 2023			64,529
Depreciation - 2024			**104,637**

7. Bank overdrafts

The Company entered into credit facilities with a commercial bank to obtain bank overdraft facility bearing interest at the rate of 7% per annum for the year 2024 (2023: 6.35% per annum) and is secured by majority shareholder.

8. Trade & Other payable

	2024	2023
	Baht	Baht
Trade payables		
Related parties	**-**	221,586
	-	221,586
Other payables		
Unearned income	**407,600**	407,600
Accrued expenses	**770,354**	798,466
	1,177,954	1,206,066
Total	**1,177,954**	1,427,652

9. Other current liabilities

	2024	2023
	Baht	Baht
Undue output tax	**1,087,713**	1,531,224
Value added tax payable	**-**	9,868
Withholding tax payable	**390,061**	363,013
Social security payable	**30,000**	27,000
Total	**1,507,774**	1,931,105

10. Employee benefit obligations

	2024	2023
	Baht	Baht
At beginning of the year	**1,339,793**	1,003,299
Provisions made	**283,153**	422,401
Unused amounts reversed	**-**	(85,907)
At ending of the year	**1,622,946**	1,339,793

Employee benefit obligations recognised as expenses are calculated based on the last salary and length of employment in accordance with the conditions specified in the regulations of the Company and criteria for severance pay specified in the labour law, and taking into account the possibility that each employee will work with the Company until retirement.

11. Lease agreements

The Company has entered into lease agreements in respect of the lease of office, cars, and rooms. Under the terms of the agreements, the Company has committed to pay monthly rental and service fees in accordance with the agreements.

The future aggregate minimum lease payments under operating leases are as follows:

	2024	2023
	Thousand Baht	Thousand Baht
Not later than 1 year	**3,534**	3,725
Later than 1 year but not later than 5 years	**1,565**	5,100
	5,099	8,825

12. Promotional Privileges

The Company received promotional privileges from the Board of Investment under a promotion certificate No.63-0854-1-00-0-0 approved on December 11, 2019, the Company was granted certain promotional privileges for investment promotion on trade and investment support office (TISO). Under these privileges, the Company is required to comply with the terms and conditions as specified in the promotion certificate.

According to the announcement of the Board of Investment No. 14/1998 dated December 30, 1998 regarding reporting of revenue under the promotional privileges, the Company is required to report separately revenues from domestic and export between its promotional and non-promotional activities. Details are as follows:

For the year ended March 31, 2024

	Non-promoted operations	Promoted operations	TOTAL
	Baht	Baht	Baht
SERVICES INCOME			
Domestic services	-	63,343,630	63,343,630
TOTAL	**-**	**63,343,630**	**63,343,630**

For the year ended March 31, 2023

	Non-promoted operations	Promoted operations	TOTAL
	Baht	Baht	Baht
SERVICES INCOME			
Domestic services	16,850,000	43,875,151	60,725,151
TOTAL	**16,850,000**	**43,875,151**	**60,725,151**

13. Approval of financial statements

These financial statements were authorized for issuance by the Company' s director on April 19, 2024.

THERMAX

Corporate Office

Thermax House
14 Mumbai - Pune Road,
Wakdewadi, Pune - 411 003
www.thermaxglobal.com

Concept, content and design at stirrup whatsup@stirrup. works