

# INDEPENDENT AUDITOR’S REPORT

To the Members of Thermax Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Thermax Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associates comprising of the consolidated Balance Sheet as at March 31, 2025, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2025, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’ section of our report. We are independent of the Group and its associates in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India (“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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Emphasis of Matters

We draw attention to:

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

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>A) Accounting for Revenue from Contracts with Customers</b> <i>(as described in Note 21 of the consolidated financial statements)</i>	
Revenues are recognised under Ind AS 115, “Revenue from Contracts with Customers” basis the nature and type of contracts (i.e., products, projects and services) involved.	The audit procedures performed by us and the auditors of the subsidiaries (‘other auditors’) included the following: <ul style="list-style-type: none"><li>We and other auditors understood the Group’s policies and processes, control mechanisms and methods in relation to the revenue recognition for revenue contracts and evaluated the design and operative effectiveness of the financial controls through our test of control procedures.</li><li>We and other auditors obtained and read the terms of sample revenue contracts to evaluate the management’s process to assess nature of contractual performance obligations, timing of transfer of control to customers and other relevant terms necessary for revenue recognition during the year.</li><li>We and other auditors tested revenue, on sample basis, recorded during the period closer to year-end by testing the underlying documentation.</li><li>For contracts, on sample basis, accounted for under ‘over the period in time’ method, we and other auditors performed the following procedures among others:<ul style="list-style-type: none"><li><b>Provision for liquidated damages and claims:</b> Discussed with management and project teams to understand the status of the project, likelihood of customers imposing any contractual penalties through inspection of the relevant documents, etc.</li><li><b>Contingency provisions:</b> Understood the management’s estimate and rationale for recording and changes to the contingency provision during the year. We discussed progress to date with project teams to determine whether the remaining contingency provision is sufficient for the residual risks identified for those projects.</li><li><b>Assessment of costs-to-complete:</b> Performed procedures on balance cost estimation, compared actual costs to budgeted costs and discussed variances with project teams, tested the costs accrued at year-end and tested the significant assumptions for balance costs-to-complete.</li></ul></li></ul>
We consider accounting of revenue contracts to be an area posing a significant risk of material misstatement and accordingly a key audit matter as due to the varied nature of the contracts, identification of contractual obligations, timing of transfer of control, significant judgements involved in determining the contract costs, rights to receive payments including those for performance completed till date and recognition for potential loss making contracts/ onerous obligations. Revenue and profits for the year may deviate significantly on account of changes in the above judgements and estimates. Accordingly, this is considered as a Key Audit Matter.	
The total revenues for the year amounted to Rs. 10,255.81 crore and recognised based on the accounting policies disclosed in the Note 21 to the consolidated financial statements.	

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"><li>We and other auditors performed analytical procedures and conducted inquiries about any unusual trends of revenue recognition, checked exceptions for contracts with low or negative margins, loss making contracts/ onerous contracts, contracts with significant changes in cost estimates and significant overdue net receivable positions for contracts, etc.</li><li>We read and tested the presentation and disclosure in the consolidated financial statements are in accordance with Ind AS 115.</li></ul>

**B) Impairment of trade receivables and contract assets**  
*(as described in Note 7 and 9 of the consolidated financial statements)*

Impairment of financial assets and contract assets is accounted through allowance for Expected Credit Losses (ECL) under Ind AS 109 and is expected to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. Impairment of financial assets is a key audit matter as the Group has devised a model to recognise impairment through ECL using individual receivables or for homogeneous group of receivables with similar credit risk characteristics. The calculation of the impairment allowance under ECL method is highly judgemental as it requires Group management to make significant assumptions on customer payment behavior and other relevant/risk characteristics when assessing the Group's statistics of historical information and estimating the level and timing of expected future cash flows. Considering the materiality and the complexity involved, this is considered as a Key Audit Matter.	The audit procedures performed by us, and the other auditors included the following: <ul style="list-style-type: none"><li>We and other auditors evaluated the management's key data sources and assumptions used in the ECL to determine impairment allowance.</li><li>We and other auditors understood the management's basis to consider the associated risks for identifying homogeneous group of receivables and contract assets.</li><li>We and other auditors evaluated the process followed by the Group for determination of credit risk and the resultant basis for classification of receivables into various stages.</li><li>For a sample of receivables, we and other auditors tested the ageing of the receivables and contract assets considered for impairment calculations.</li><li>We and other auditors assessed the completeness of receivables and contract assets included in the ECL calculations as of the reporting date.</li><li>We and other auditors considered the consistency of various inputs and assumptions used by the Group management to determine impairment provisions.</li><li>We read and tested the disclosures in the notes to consolidated financial statements are as per the relevant accounting standards.</li></ul>
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As at March 31, 2025, the Group recorded an impairment allowance of Rs. 452.72 crore for its receivables and contract assets.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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

From the matters communicated with Those Charged With Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) We did not audit the financial statements and other financial information, in respect of 27 subsidiaries, 2 branches of subsidiary and various trusts, whose financial statements include total assets of Rs. 2,825.27 crore as at March 31, 2025, and total revenues of Rs. 877.02 crore and net cash inflows of Rs. 38.02 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, branches of a subsidiary and various trusts, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, branches of a subsidiary and various trusts is based solely on the report of such other auditors.

- (b) The accompanying consolidated financial statements include the Group's share of net loss of Rs. 0.24 crore for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements and other unaudited financial information.

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

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

### Report on Other Legal and Regulatory Requirements

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 other auditors on separate financial statements and the other financial information of the companies incorporated in India, there are no qualifications or adverse remarks made by us or the respective auditors in the Companies (Auditor's Report) Order report of the companies included in the consolidated financial statements. Accordingly, the requirement to report on the clause 3(xxi) of the Order is not applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matters' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of accounts required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except that with respect to certain entities as disclosed in note 43A to the consolidated financial statements, the back-up of books of account was not kept in servers physically located in India on a daily basis as stated in Note 43A to the consolidated financial statements and for the matters and except for the matters stated in the paragraph 2(j)(vi) below on reporting under Rule 11(g);
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matters against the Group described in 'Emphasis of Matters' paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiaries, none of the directors of the Group's companies and its associates, incorporated in India, is disqualified as on



March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;	Group's share of net loss in respect of its associates;	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	Holding company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend; and
(g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under section 143(3)(b) and paragraph 2(j)(vi) below on reporting under Rule 11(g);	iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2025;		
(h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this Report;	iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;	(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.	vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 43B to the consolidated financial statements, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered in respect of other accounting software. Additionally, the audit trail of relevant prior years has been preserved by the Group as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in Note 43B to the consolidated financial statements.
(i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2025, has been paid by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;			
(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matters' paragraph:		v. (a) The final dividend paid by the Holding Company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend;	
i. The consolidated financial statements disclose the impact of pending litigations on its Consolidated financial position of the Group and its associates in its consolidated financial statements – Refer Note 30A to the consolidated financial statements;	(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether,	(b) The interim dividend declared and paid during the year by subsidiaries incorporated in India and until the date of the respective audit reports of such subsidiaries is in accordance with section 123 of the Act;	<b>For S R B C &amp; CO LLP</b> Chartered Accountants ICAI Firm Registration Number: 324982E/E300003
ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Notes 9(b) and 18(b) to the consolidated financial statements in respect of such items as it relates to the Group and its associates and (b) the		(c) As stated in note 15(b) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the	<b>per Vaibhav Kumar Gupta</b> Partner Membership Number: 213935 UDIN: 25213935BMOZUJ3042
			Place: Pune Date: May 09, 2025

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

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

In conjunction with our audit of the consolidated financial statements of Thermax Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

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

the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

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

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the consolidated financial statements.

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

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

**Opinion**

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

statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matter**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 21 subsidiaries and 2 branches of a subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

**For S R B C & CO LLP**

Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**per Vaibhav Kumar Gupta**

Partner  
Membership Number: 213935  
UDIN: 25213935BMOZUJ3042

Place: Pune  
Date: May 09, 2025

CONSOLIDATED BALANCE SHEET

as at March 31, 2025

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

	Notes	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>			
<b>I. Non-current assets</b>			
Property, plant and equipment	4 (a)	2,441.52	1,701.45
Capital work-in-progress	4 (a)	560.84	519.35
Right-of-use assets	4 (b)	173.67	173.04
Goodwill	4 (c)	80.19	3.03
Other intangible assets	4 (c)	110.51	28.60
Intangible assets under development	4 (c)	1.74	5.44
Investment in associates	5	9.71	19.05
Financial assets:			
(a) Investments	6 (a)	121.01	382.58
(b) Trade receivables	7 (a)	147.85	150.63
(c) Loans	8 (a)	4.55	4.28
(d) Finance lease receivables	31	228.96	156.98
(e) Other financial assets	9 (a)	315.13	77.96
Deferred tax assets (net)	10	154.38	108.55
Income tax assets (net)		143.79	209.03
Other assets		222.19	164.96
<b>Total non-current assets</b>	11 (a)	<b>4,716.04</b>	<b>3,704.93</b>
<b>II. Current assets</b>			
Inventories	12	720.30	764.90
Financial assets:			
(a) Investments	6 (b)	1,567.92	1,363.46
(b) Trade receivables	7 (b)	2,417.50	2,116.43
(c) Cash and cash equivalents	13 (a)	417.68	486.58
(d) Bank balances other than (c) above	13 (b)	736.86	488.74
(e) Loans	8 (b)	1.27	1.14
(f) Finance lease receivables	31	37.41	22.80
(g) Other financial assets	9 (b)	775.46	539.93
Income tax assets (net)		2.09	0.52
Other assets	11 (b)	636.39	663.58
<b>Total current assets</b>		<b>7,312.88</b>	<b>6,448.08</b>
<b>III. Assets classified as held for sale</b>	5 (a) (i)	<b>9.10</b>	<b>-</b>
<b>Total assets</b>		<b>12,038.02</b>	<b>10,153.01</b>
<b>Equity and liabilities</b>			
<b>IV. Equity</b>			
Equity share capital	14	22.53	22.52
Other equity	15 (a)	4,914.36	4,417.28
Equity attributable to equity holders of the parent		<b>4,936.89</b>	<b>4,439.80</b>
Non-controlling interests	35	5.69	-
<b>Total equity</b>		<b>4,942.58</b>	<b>4,439.80</b>
<b>V. Non-current liabilities</b>			
Financial liabilities:			
(a) Borrowings	16 (a)	1,161.55	789.48
(b) Lease liabilities	31	18.83	16.41
(c) Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises	17 (a)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	17 (a)	54.37	48.15
(d) Other financial liabilities	18 (a)	118.68	51.04
Provisions	19 (a)	40.38	42.43
Deferred tax liabilities (net)	10	30.04	12.28
Other liabilities	20 (a)	36.50	28.07
<b>Total non-current liabilities</b>		<b>1,460.35</b>	<b>987.86</b>
<b>VI. Current liabilities</b>			
Financial liabilities:			
(a) Borrowings	16 (b)	531.79	466.47
(b) Lease liabilities	31	5.49	5.07
(c) Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises	17 (b)	749.78	616.53
Total outstanding dues of creditors other than micro enterprises and small enterprises	17 (b)	946.85	916.36
(d) Other financial liabilities	18 (b)	225.27	189.44
Provisions	19 (b)	374.09	305.32
Income tax liabilities (net)		91.21	41.05
Other liabilities	20 (b)	2,710.61	2,185.11
<b>Total current liabilities</b>		<b>5,635.09</b>	<b>4,725.35</b>
<b>Total equity and liabilities</b>		<b>12,038.02</b>	<b>10,153.01</b>
Summary of material accounting policies	2		
Summary of significant accounting estimates and judgements	3		
The accompanying notes are an integral part of these financial statements.			

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

per Vaibhav Kumar Gupta  
Partner  
Membership No. 213935

Place: Pune  
Date: May 09, 2025

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

Meher Pudumjee  
Chairperson  
DIN: 00019581

Rajendran Arunachalam  
Executive Vice President  
and Group Chief Financial Officer

Place: Pune  
Date: May 09, 2025

Ashish Bhandari  
Managing Director and CEO  
DIN: 05291138

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2025

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

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Income</b>			
Revenue from operations	21	10,388.69	9,323.46
Other income	22	252.22	232.57
<b>Total income (I)</b>		<b>10,640.91</b>	<b>9,556.03</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	23	5,553.67	5,091.56
Purchase of traded goods		193.19	162.99
Decrease/(Increase) in inventories of finished goods, work-in-progress and traded goods	24	66.64	(34.99)
Employee benefits expense	25	1,268.94	1,148.29
Finance costs	26	116.78	87.59
Depreciation, amortisation and impairment expense	4 (e)	158.51	148.08
Other expenses	27	2,398.47	2,158.22
<b>Total expenses (II)</b>		<b>9,756.20</b>	<b>8,761.74</b>
<b>Profit before tax and share of (loss) of associates (III) = (I-II)</b>		<b>884.71</b>	<b>794.29</b>
<b>Share of loss of associates (IV)</b>	5	(0.24)	(0.82)
<b>Profit before exceptional items and tax (V) = (III+IV)</b>		<b>884.47</b>	<b>793.47</b>
Exceptional items gain (VI)	44	-	75.49
<b>Profit before tax (VII) = (V+VI)</b>		<b>884.47</b>	<b>868.96</b>
<b>Tax expense</b>	10		
Current tax		299.63	214.46
Deferred tax		(41.86)	11.31
<b>Total tax expense (VIII)</b>		<b>257.77</b>	<b>225.77</b>
<b>Profit after tax (IX) = (VII-VIII)</b>		<b>626.70</b>	<b>643.19</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>A. Items that will not be reclassified subsequently to profit or loss</b>	29		
Re-measurement (loss)/ on defined benefit plan		(9.24)	(8.76)
Less: Income tax effect		2.33	2.11
		<b>(6.91)</b>	<b>(6.65)</b>
<b>B. Items that will be reclassified subsequently to profit or loss</b>	29		
i) Net (loss)/gain on cash flow hedges		(7.35)	3.00
Less: Income tax effect		1.85	(0.75)
		<b>(5.50)</b>	<b>2.25</b>
ii) Exchange differences on translating of foreign operations		10.08	(4.47)
		<b>4.58</b>	<b>(2.22)</b>
<b>Net other comprehensive income for the year (net of tax) (X)</b>		<b>(2.33)</b>	<b>(8.87)</b>
<b>Total comprehensive income for the year (XI=IX + X)</b>		<b>624.37</b>	<b>634.32</b>
<b>Profit for the year</b>			
Attributable to:			
Equity holders of the parent		634.47	645.28
Non-controlling interest	35	(7.77)	(2.09)
<b>Other comprehensive income for the year</b>			
Attributable to:			
Equity holders of the parent		(2.33)	(8.81)
Non-controlling interest	35	-	(0.06)
<b>Total comprehensive income for the year</b>			
Attributable to:			
Equity holders of the parent		632.14	636.47
Non-controlling interest	35	(7.77)	(2.15)
Earnings per equity share [Nominal value per share Rs. 2/- each (March 31, 2024: Rs. 2/-)]	28		
(computed on the basis of profit for the year attributable to equity holders of the parent)			
Basic		56.33	57.30
Diluted		56.31	57.28
Summary of material accounting policies	2		
Summary of significant accounting estimates and judgements	3		
The accompanying notes are an integral part of these financial statements.			

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

per Vaibhav Kumar Gupta  
Partner  
Membership No. 213935

Place: Pune  
Date: May 09, 2025

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

Meher Pudumjee  
Chairperson  
DIN: 00019581

Rajendran Arunachalam  
Executive Vice President  
and Group Chief Financial Officer

Place: Pune  
Date: May 09, 2025

Ashish Bhandari  
Managing Director and CEO  
DIN: 05291138





CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2025

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

A Equity Share Capital^

	Note	As at March 31, 2025		As at March 31, 2024	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	14	112,620,748	22.52	112,614,860	22.52
Changes in equity shares capital during the year*	14	19,198	0.01	5,888	0.00
Balance at the end of the year	14	112,639,946	22.53	112,620,748	22.52

\* Represents less than a lakh

B Other Equity^ (Refer note 15)

Description	Attributable to the equity holders of the parent									Non-controlling interest	Total
	Reserves and surplus						Other reserves				
	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Securities premium	Share options outstanding account	Cash flow hedge reserve	Foreign currency translation reserve	Total other equity		
As at April 1, 2024	60.34	95.12	435.31	3,710.64	58.71	5.97	(1.83)	53.02	4,417.28	-	4,417.28
Profit for the year	-	-	-	634.47	-	-	-	-	634.47	(7.77)	626.70
Other Comprehensive Income (net)	-	-	-	(6.91)	-	-	(5.50)	10.08	(2.33)	-	(2.33)
Total comprehensive income	-	-	-	627.56	-	-	(5.50)	10.08	632.14	(7.77)	624.37
Share based payments (note 40)	-	-	-	-	-	5.84	-	-	5.84	-	5.84
Redemption of preference shares	52.70	-	-	(52.70)	-	-	-	-	-	-	-
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	-	13.46	13.46
Fair value adjustment of put option (redemption liability)	-	-	-	(5.70)	-	-	-	-	(5.70)	-	(5.70)
Exercise of share options	-	-	-	-	5.84	(5.84)	-	-	-	-	-
Dividends paid	-	-	-	(135.20)	-	-	-	-	(135.20)	-	(135.20)
As at March 31, 2025	113.04	95.12	435.31	4,144.60	64.55	5.97	(7.33)	63.10	4,914.36	5.69	4,920.05
As at April 1, 2023	60.34	95.12	435.31	3,141.57	57.28	2.52	(4.08)	57.49	3,845.55	2.15	3,847.70
Profit for the year	-	-	-	645.28	-	-	-	-	645.28	(2.09)	643.19
Other Comprehensive Income (net)	-	-	-	(6.59)	-	-	2.25	(4.47)	(8.81)	(0.06)	(8.87)
Total comprehensive income	-	-	-	638.69	-	-	2.25	(4.47)	636.47	(2.15)	634.32
Share based payments (note 40)	-	-	-	-	-	4.88	-	-	4.88	-	4.88
Transactions with non-controlling shareholders	-	-	-	43.05	-	-	-	-	43.05	-	43.05
Exercise of share options	-	-	-	-	1.43	(1.43)	-	-	-	-	-
Dividends paid	-	-	-	(112.67)	-	-	-	-	(112.67)	-	(112.67)
As at March 31, 2024	60.34	95.12	435.31	3,710.64	58.71	5.97	(1.83)	53.02	4,417.28	-	4,417.28

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

per Vaibhav Kumar Gupta  
Partner  
Membership No. 213935

Place: Pune  
Date: May 09, 2025

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

Meher Pudumjee  
Chairperson  
DIN: 00019581

Rajendran Arunachalam  
Executive Vice President  
and Group Chief Financial Officer

Place: Pune  
Date: May 09, 2025

Ashish Bhandari  
Managing Director and CEO  
DIN: 05291138

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2025

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

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
A) Cash flows from operating activities			
Profit before tax (after exceptional items and share of loss of associates)		884.47	868.96
Add: Share of loss on associates		(0.24)	(0.82)
Profit before tax (after exceptional items and before share of loss of associates)		884.71	869.78
Adjustments to reconcile profit before tax to net cash flows from operations			
Depreciation/amortisation and impairment on property, plant and equipment, right-of-use assets and intangible assets	4 (e)	158.51	148.08
Provision for impairment allowance of financial assets (net)	27	80.53	59.11
Provision for advances (net)	27	7.35	(1.63)
Provision related to litigation	45	-	50.63
Gain on sale of Property, Plant and Equipment	45	-	(126.12)
Interest expense	26	141.14	83.65
Unwinding of discount on provisions	26	12.87	12.26
Unrealised foreign exchange loss/(gain)		4.13	(5.64)
Interest income	22	(67.58)	(87.16)
Liabilities no longer required written back	22	(12.25)	(16.07)
Fair value gain on financial instrument at fair value through Profit and Loss (net)	22	(117.90)	(83.07)
Loss on sale/discard of assets (net)	27	2.63	0.88
Share based payment expenses	25	5.84	4.88
Working capital adjustments			
(Increase) in trade receivables		(329.35)	(443.98)
Decrease/(increase) in inventories		77.59	(9.27)
(Increase) in other financial assets/lease receivables/loans		(360.28)	(49.44)
Decrease/(increase) in other assets		19.51	(181.26)
Increase in trade payables		154.75	69.01
Increase in other liabilities		520.08	60.88
Increase in provisions		43.00	33.99
Increase in other financial liabilities		3.64	44.12
Cash generated from operations		1,228.92	433.63
Direct taxes paid (net of refunds received)		(186.13)	(186.33)
Net cash inflow from operating activities		1,042.79	247.30
B) Cash flows (used in) investing activities			
Purchase of property, plant and equipment, right of use of assets (ROU), intangible assets (including capital advances) and capital work-in-progress		(902.67)	(843.94)
Sale of property, plant and equipment, right of use of assets (ROU) and intangible assets		2.45	125.41
Investment in associates	5 (a)	-	(3.50)
Investment in fixed deposits		(973.72)	(559.94)
Redemption in fixed deposits		532.65	982.95
Purchase of investments		(4,187.55)	(3,302.60)
Proceeds from sale of investments		4,362.57	3,005.25
Investment in subsidiaries		(138.12)	-
Interest received		63.84	87.16
Net cash flows (used in) investing activities		(1,240.55)	(509.21)

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2025

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

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>C) Cash flows from financing activities</b>			
Proceeds from issue of shares including premium		0.01	0.01
Proceeds from borrowings		1,294.81	968.55
Repayments of borrowings		(861.20)	(537.92)
Interest paid		(175.76)	(82.09)
Dividend paid		(135.23)	(112.75)
Payment of lease liability		(6.08)	(10.15)
Proceeds from issuance of shares to non-controlling interest		7.00	-
Transactions with non-controlling interests		-	59.75
<b>Net cash flows from financing activities</b>		<b>123.55</b>	<b>285.40</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(74.21)</b>	<b>23.49</b>
Cash and cash equivalents at the beginning of the year		466.75	447.73
Exchange differences on translation of foreign operations		10.08	(4.47)
Cash and cash equivalents of acquired subsidiaries	45	10.35	-
<b>Cash and cash equivalents at the end of the year</b>		<b>412.97</b>	<b>466.75</b>

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

	Notes	As at March 31, 2025	As at March 31, 2024
Balances with banks			
- in current accounts	13 (a)	170.44	233.18
- in Exchange Earners Foreign Currency (EEFC) account	13 (a)	27.89	0.55
- in deposits with original maturity of less than three months	13 (a)	217.79	252.48
- Cheques, drafts on hand	13 (a)	1.35	0.20
Cash on hand	13 (a)	0.21	0.17
Bank overdraft	16 (b)	(4.71)	(19.83)
<b>Balances as per cash flow statement</b>		<b>412.97</b>	<b>466.75</b>

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

**per Vaibhav Kumar Gupta**  
Partner  
Membership No. 213935

Place: Pune  
Date: May 09, 2025

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

**Meher Pudumjee**  
Chairperson  
DIN: 00019581

**Rajendran Arunachalam**  
Executive Vice President  
and Group Chief Financial Officer

Place: Pune  
Date: May 09, 2025

**Ashish Bhandari**  
Managing Director and CEO  
DIN: 05291138

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

## 1 Corporate Information

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

- Industrial Products** - Boilers & Heating equipment (small capacity), Absorption Chillers/Heat Pumps, Air Pollution Control Equipment/Systems, Water & Waste Recycle. Including associated services and engineering, procurement and construction (EPC) and specialised services;
- Industrial Infra** - EPC of Power Plants, Boiler & Heater (high capacity) plants, Infra projects, Bio CNG projects, Flue Gas Desulphurisation projects. Includes associated services;
- Green solutions** - Build, Own and Operate (BOO) model, Energy management solutions, Green Hydrogen projects and Renewable Energy (Solar/Wind); and
- Chemicals** - Ion Exchange Resins, Performance Chemicals, Construction Chemicals, Water Treatment Chemicals, Oil Field Chemicals, Paper Chemicals and Construction Chemicals, flooring chemicals and related services.

The Group further has investments in Associates.

The Holding Company is a public limited company was incorporated under the provisions of the Companies Act, 1956 and is presently governed by the Companies Act, 2013 and domiciled in India. It is listed on the BSE Limited (BSE) and National Stock Exchange Limited (NSE) in India. The address of its registered office is D-13, MIDC Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411019, India. The Board of Directors have approved these financial statements on May 09, 2025. The CIN of the Company is L29299PN1980PLC022787.

## 2 Material Accounting Policies

### 2.1 Basis of preparation, measurement and consolidation

#### a. Basis of preparation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (the Act) (as amended from time to time), (Ind AS compliant Sch III), as applicable to the consolidated financial statements.

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

The accounting policies adopted for preparation and presentation of these consolidated financial statements have been consistently applied except for changes resulting from amendments to Ind AS issued by the Ministry of Corporate Affairs, effective for financial years beginning on or after April 01, 2024 as disclosed in note 2.3.

#### b. Basis of measurement

The consolidated financial statements have been prepared on the accrual and going



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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.
- Equity settled ESOP at grant date fair value at each reporting date.

The accounting policies and related notes further described the specific measurements applied for each of the assets and liabilities.

## c. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries and its associates as at March 31, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities,

income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

## Consolidation procedure

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;
- Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. The accounting policy regarding business combinations and goodwill explains how to account for any related goodwill;
- Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests.

## d. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

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

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 “Income Taxes” and Ind AS 19 “Employee Benefits”, respectively;
- Reacquired rights recognised as intangible assets are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

## 2.2 Summary of material accounting policies

### a. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. If an entity holds, directly or indirectly (eg through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (eg through subsidiaries), less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the entity and its investee;
- interchange of managerial personnel; or
- provision of essential technical information.

The Group’s investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount is increased or decreased to recognise the Group’s share of the Profit or Loss of the investee after the date of acquisition. Goodwill relating to the associate being the excess of the cost of the investment and the Group’s share of the net fair value of the investees identifiable assets and liabilities on

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

the acquisition date is included in the carrying amount of the investment and is not tested for impairment individually.

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

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

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

Many of the procedures that are appropriate for the application of the equity method are similar to the consolidation procedure (refer 2.1 c above).

## b. Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

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

## c. Foreign currencies

The Group's consolidated financial statements are prepared in Indian Rupees (Rs.), which is also the functional currency of the Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the

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direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

## Transactions and balances

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

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

## Group companies

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

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

## d. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. The Group applies fair value measurement when an Ind AS requires or permits fair value measurement or disclosures about fair value measurements except for Ind AS which prescribe measurement and disclosures with these standards such as:

- Share based payment transactions covered by Ind AS 102 - "Share based payments";
- Leasing transactions covered by Ind AS 116 - "Leases".

In such cases, 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. In addition or further, fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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

## e. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity

and a financial liability or equity instrument of another entity.

### Financial assets

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

#### (i) Debt instruments at amortised cost

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

#### (ii) Debt instrument at FVTPL

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

Debt instruments included within the FVTPL category are measured at fair value with all

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changes recognised in the consolidated Statement of Profit and Loss.

### (iii) Equity investments

All equity investments in scope of Ind AS 109 - “Financial Instruments”, are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group 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 group of similar financial assets) is primarily derecognised when:

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

### Impairment of financial assets

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

- **Trade receivables** - Refer note 7;
- **Loans** - Refer note 8;
- **Contract assets and other financial assets** - Refer note 9;

- **Finance lease receivables** - Refer note 31.

**Expected Credit Loss (ECL)** - In accordance with Ind AS 109 - “Financial Instruments”, the Group applies ECL model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortised costs e.g., loans, trade receivables, contractual receivables, contract assets and financial assets (reference of notes give above). The Group follows ‘simplified approach’ for recognition of impairment allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

ECL impairment allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss under the head ‘other expenses’. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset



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meets write-off criteria, the Group 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 recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

All changes in fair value of financial liabilities classified as FVTPL is recognised in the consolidated Statement of Profit and Loss.

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

### Derecognition

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

### Offsetting of financial instruments

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

### f. Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated Statement of Profit and Loss, except for the effective portion of cash flow

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hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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

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

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

### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately

in the consolidated Statement of Profit and Loss. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in consolidated statement of Profit and Loss.

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

### g. Shares held by ESOP and Welfare trusts

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

In respect of stock options granted pursuant to the Holding Company's Employee Stock Option

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

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

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

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

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

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

## 2.3 Changes in accounting policies and disclosures

### (a) New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April

01, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### (i) Ind AS 117 - “Insurance Contracts”

The Ministry of Corporate Affairs (MCA) notified the Ind AS 117 - “Insurance Contracts”, vide notification dated August 12, 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after April 01, 2024.

Ind AS 117 - “Insurance Contracts” is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Ind AS 117 replaces Ind AS 1Ind AS 104 - “Insurance Contracts”. Ind AS 117 applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 does not have material impact on the Group consolidated financial statements as the Group has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

### (ii) Amendments to Ind AS 116 - “Leases” – Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116 - “Leases” with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback

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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 is effective for annual reporting periods beginning on or after April 01, 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

The amendments do not have a material impact on the Group’s financial statements.

### (b) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group will adopt this new and amended standard, when it become effective.

### Lack of exchangeability – Amendments to Ind AS 21

The Ministry of Corporate Affairs notified amendments to Ind AS 21 - “The Effects of Changes in Foreign Exchange Rates” to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after April 01, 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group’s financial statements.

## 2.4 Climate-related matters

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

## 3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the

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basis of calculation for each affected line item in the Consolidated Financial Statements.

The areas involving critical estimates or judgements are:

- a. Estimates and assumptions related to useful lives and impairment of Property, Plant and Equipment (PPE) (Refer note 4);
- b. Estimations used for fair value measurement (Refer note 7);
- c. Estimates and assumptions for income taxes (Refer note 10);
- d. Estimates and assumptions related to provisions (Refer note 19);

- e. Estimates, judgements and assumptions used for revenue from operations (Refer note 21);
- f. Estimates and judgements used for contingent liabilities and commitments (Refer note 30);
- g. Judgements related to leasing arrangements (Refer note 31);
- h. Judgements related to segment reporting (Refer note 34);
- i. Estimations used for fair value measurement (Refer note 36).

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## 4 Property, Plant and Equipment (PPE)

### Accounting policy

Property, Plant and Equipment (PPE) are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any. All significant costs relating to the acquisition and installation of PPE are capitalised. Subsequent costs/replacement costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial year in which they are incurred. The carrying amount of the replaced part is derecognised. The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

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

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

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

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

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

### Estimates and assumptions:

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

### Accounting policy

#### Impairment of PPE

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

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



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

including impairment on inventory are recognised in the Statement of profit or loss.

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

### Estimates and assumptions

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

### (a) Property, Plant and Equipment

Description	Freehold land	Buildings**	Plant and equipment**	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work-in-progress#
<b>Gross carrying amount as at April 1, 2023*</b>	<b>18.94</b>	<b>772.07</b>	<b>943.16</b>	<b>43.43</b>	<b>87.86</b>	<b>37.26</b>	<b>19.50</b>	<b>1,922.22</b>	<b>433.77</b>
Additions	2.15	31.49	736.39	3.21	12.00	2.59	8.74	<b>796.57</b>	882.15
Disposals	(1.27)	(0.15)	(9.75)	(4.48)	(7.73)	(1.37)	(4.44)	<b>(29.19)</b>	(796.57)
Exchange differences	-	1.35	0.57	0.05	(0.02)	(0.04)	(0.01)	<b>1.90</b>	-
<b>Gross carrying amount as at March 31, 2024</b>	<b>19.82</b>	<b>804.76</b>	<b>1,670.37</b>	<b>42.21</b>	<b>92.11</b>	<b>38.44</b>	<b>23.79</b>	<b>2,691.50</b>	<b>519.35</b>
Additions	3.73	119.72	697.78	5.44	21.20	4.15	6.23	<b>858.25</b>	896.06
Addition on account of acquisition*	7.53	5.06	1.94	0.09	0.15	0.20	0.42	<b>15.39</b>	3.68
Disposals	-	(0.87)	(8.10)	(0.99)	(9.98)	(0.57)	(3.03)	<b>(23.54)</b>	(858.25)
Exchange differences	-	2.41	(0.31)	(0.12)	(0.01)	-	(0.01)	<b>1.96</b>	-
<b>Gross carrying amount as at March 31, 2025</b>	<b>31.08</b>	<b>931.08</b>	<b>2,361.68</b>	<b>46.63</b>	<b>103.47</b>	<b>42.22</b>	<b>27.40</b>	<b>3,543.56</b>	<b>560.84</b>
<b>Accumulated depreciation and impairment as at April 1, 2023*</b>	<b>-</b>	<b>219.72</b>	<b>548.54</b>	<b>24.95</b>	<b>55.97</b>	<b>24.64</b>	<b>8.51</b>	<b>882.33</b>	<b>-</b>
Charge for the year	-	31.12	67.60	3.10	9.78	1.74	3.52	<b>116.86</b>	-
Impairment	-	4.20	8.61	-	-	-	-	<b>12.81</b>	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Description	Freehold land	Buildings**	Plant and equipment**	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work-in-progress#
Disposals	-	(0.15)	(8.71)	(3.17)	(6.34)	(1.21)	(3.14)	<b>(22.72)</b>	-
Exchange differences	-	0.21	0.57	0.05	(0.02)	(0.03)	(0.01)	<b>0.77</b>	-
<b>Accumulated depreciation and impairment as at March 31, 2024</b>	<b>-</b>	<b>255.10</b>	<b>616.61</b>	<b>24.93</b>	<b>59.39</b>	<b>25.14</b>	<b>8.88</b>	<b>990.05</b>	<b>-</b>
Charge for the year	-	27.76	79.30	2.91	12.61	1.94	4.00	<b>128.52</b>	-
Disposals	-	(0.16)	(5.89)	(0.81)	(9.23)	(0.23)	(2.14)	<b>(18.46)</b>	-
Exchange differences	-	0.92	1.17	(0.15)	(0.01)	-	-	<b>1.93</b>	-
<b>Closing accumulated depreciation and impairment as at March 31, 2025</b>	<b>-</b>	<b>283.62</b>	<b>691.19</b>	<b>26.88</b>	<b>62.76</b>	<b>26.85</b>	<b>10.74</b>	<b>1,102.04</b>	<b>-</b>
<b>Net Block as at March 31, 2025</b>	<b>31.08</b>	<b>647.46</b>	<b>1,670.49</b>	<b>19.75</b>	<b>40.71</b>	<b>15.37</b>	<b>16.66</b>	<b>2,441.52</b>	<b>560.84</b>
<b>Net Block as at March 31, 2024</b>	<b>19.82</b>	<b>549.66</b>	<b>1,053.76</b>	<b>17.28</b>	<b>32.72</b>	<b>13.30</b>	<b>14.91</b>	<b>1,701.45</b>	<b>519.35</b>

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

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

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

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

\*Refer note 45

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

#### Accounting policy

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

#### Ageing of CWIP\*:

Description		Amount in CWIP for a period of			
		Less than 1 year	1-2 years	2-3 years	Total CWIP
Project in progress	March 31, 2025	460.41	93.01	7.42	<b>560.84</b>
	March 31, 2024	501.95	16.34	1.06	<b>519.35</b>
Projects temporarily suspended	March 31, 2025	-	-	-	-
	March 31, 2024	-	-	-	-
<b>Total capital work-in-progress</b>	<b>March 31, 2025</b>	<b>460.41</b>	<b>93.01</b>	<b>7.42</b>	<b>560.84</b>
	<b>March 31, 2024</b>	<b>501.95</b>	<b>16.34</b>	<b>1.06</b>	<b>519.35</b>

\*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, 2025 and March 31, 2024 except:

- Capital work in progress of Rs. 33.67 (March 31, 2024: Rs. 27.93) consists of a Bio CNG project which became overdue as compared to its original plan and expected to be completed by FY 25-26.
- Capital work in progress of Rs. 437.02 (March 31, 2024: Rs. 388.44) is relating to solar/ hybrid renewable energy plants. These projects are expected to be completed and capitalised between Apr-25 to Oct-25.
- CWIP includes Plant and equipments for manufacturing facility overdue for pending trials Rs. 33.55 and was expected to be completed by Q2 FY 2024-25.
- Plant and equipment for manufacturing facility was overdue for pending trials as at March 31, 2024 (2-3 years - Rs. 1.06) has been completed and capitalised during the year.

The amount of borrowing costs capitalised during the year ended March 31, 2025 was Rs. 37.23 (March 31, 2024: Rs. 8.32). The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.2% to 9.5%, which is the effective interest rate of the specific borrowing.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (b) Right-of-Use (ROU) Assets

#### Accounting policy

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

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

Description	Leasehold Land	Buildings	Vehicles	Total
<b>Gross carrying amount as at April 1, 2023</b>	<b>175.19</b>	<b>17.41</b>	<b>4.42</b>	<b>197.02</b>
Additions	2.73	6.78	0.68	10.19
Disposals	(1.64)	(6.72)	(0.09)	(8.45)
Exchange differences	(1.81)	-	0.04	(1.77)
<b>Gross carrying amount as at March 31, 2024</b>	<b>174.47</b>	<b>17.47</b>	<b>5.05</b>	<b>196.99</b>
Additions	1.75	3.61	0.88	6.24
Addition on account of acquisition^	3.00	1.53	-	4.53
Disposals	(0.19)	(0.43)	(0.80)	(1.42)
Exchange differences	(2.12)	0.09	0.14	(1.89)
<b>Gross carrying amount as at March 31, 2025</b>	<b>176.91</b>	<b>22.27</b>	<b>5.27</b>	<b>204.45</b>
<b>Accumulated depreciation and impairment as at April 1, 2023</b>	<b>11.14</b>	<b>8.06</b>	<b>1.76</b>	<b>20.96</b>
Charge for the year	2.13	3.19	1.19	6.51
Disposals	(0.21)	(3.24)	(0.09)	(3.54)
Exchange differences	-	-	0.02	0.02
<b>Accumulated depreciation and impairment as at March 31, 2024</b>	<b>13.06</b>	<b>8.01</b>	<b>2.88</b>	<b>23.95</b>
Charge for the year	2.93	3.82	1.34	8.09
Disposals	(0.20)	(0.41)	(0.80)	(1.41)
Exchange differences	(0.01)	0.07	0.09	0.15
<b>Closing accumulated depreciation and impairment as at March 31, 2025</b>	<b>15.78</b>	<b>11.49</b>	<b>3.51</b>	<b>30.78</b>
<b>Net Block as at March 31, 2025</b>	<b>161.13</b>	<b>10.78</b>	<b>1.76</b>	<b>173.67</b>
<b>Net Block as at March 31, 2024</b>	<b>161.41</b>	<b>9.46</b>	<b>2.17</b>	<b>173.04</b>

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

For assets pledged as security, refer note 16.

^Refer note 45

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (c) Goodwill and Intangible Assets

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the business combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually in every December, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro-rata, based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

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

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

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life subject to a maximum of ten years. Amortisation is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually in every Quarter 3. i.e., December Quarter.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Assets category	Life (years)
Technical know how	3 to 7
Computer software	3 to 10
Customer rights	3 to 5
Customer Relationship & Brand	7
Non Compete	6 to 7

Description	Goodwill	Other Intangible Assets					Total Other intangible	Intangibles under development^
		Computer software	Customer Rights	Technical know-how #	Customer Relationship & Brand	Non- Compete		
Gross carrying amount as at April 1, 2023*	169.81	98.42	0.09	81.91	-	-	180.42	-
Additions	-	11.54	-	0.01	-	-	11.55	5.44
Disposals	-	(20.31)	-	(0.03)	-	-	(20.34)	-
Exchange difference	(1.52)	(0.05)	-	0.02	-	-	(0.03)	-
Gross carrying amount as at March 31, 2024	168.29	89.60	0.09	81.91	-	-	171.60	5.44
Additions	-	11.76	-	10.85	-	-	22.61	0.99
Addition on account of business combination^^	77.12	-	0.01	44.50	28.10	9.00	81.61	-
Disposals	-	(0.82)	-	-	-	-	(0.82)	(4.69)
Exchange difference	0.04	(0.02)	-	0.03	-	-	0.01	-
Gross carrying amount as at March 31, 2025	245.45	100.52	0.10	137.29	28.10	9.00	275.01	1.74
Accumulated depreciation and impairment as at April 1, 2023*	166.78	81.23	0.03	69.97	-	-	151.23	-
Charge for the year	-	7.58	0.03	4.29	-	-	11.90	-
Disposals	-	(20.08)	-	-	-	-	(20.08)	-
Exchange difference	(1.52)	(0.06)	-	0.01	-	-	(0.05)	-
Accumulated depreciation and impairment as at March 31, 2024	165.26	68.67	0.06	74.27	-	-	143.00	-
Charge for the year	-	8.42	0.03	8.87	3.23	1.35	21.90	-
Disposals	-	(0.40)	-	-	-	-	(0.40)	-
Exchange difference	-	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment as at March 31, 2025	165.26	76.69	0.09	83.14	3.23	1.35	164.50	-
Net Block as at March 31, 2025	80.19	23.83	0.01	54.15	24.87	7.65	110.51	1.74
Net Block as at March 31, 2024	3.03	20.93	0.03	7.64	-	-	28.60	5.44

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

#Includes internally developed assets of net block Rs. Nil (March 31, 2024: Rs. 2.01).

\*\*There are no restrictions over the title of the Group's intangible assets, nor are any intangible assets pledged as security for liabilities.

^^Refer note 45

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### ^Ageing of intangible assets under development

Description		Amount in intangible assets under development for a period of			Total intangible assets under development
		Less than 1 year	1-2 years	2-3 years	
Project in progress	March 31, 2025	0.89	0.85	-	1.74
	March 31, 2024	5.44	-	-	5.44
Projects temporarily suspended	March 31, 2025	-	-	-	-
	March 31, 2024	-	-	-	-
Total intangible asset under development	March 31, 2025	0.89	0.85	-	1.74
	March 31, 2024	5.44	-	-	5.44

^For intangible assets under development, there are no projects whose completion date is overdue or exceeded it's costs as compared to its original plan for the year ended and as at March 31, 2025 and March 31, 2024.

Intangible asset under development is on account of warehouse management system [1-2 years - Rs. 0.85 (March 31, 2024 Rs. Nil)] and is expected to be completed by FY 26.

### (d) Impairment Tests for Goodwill

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

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

As at the March 31, 2025, the carrying amount of goodwill is Rs. 80.19 (March 31, 2024: Rs. 3.03). The Group performs impairment testing annually in every Quarter 3. i.e., December Quarter. The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management. Based on the impairment testing it was concluded that the value in use exceeds the carrying value of goodwill and overall CGU. As a result of the analysis, no impairment of the Goodwill was required. As at March 31, 2025, there were no indicators of impairment noted by the management.

Following is a summary of changes in the carrying amount of goodwill:

	As at March 31, 2025	As at March 31, 2024
Carrying value at the beginning	3.03	3.03
Goodwill on acquisitions during the year (Refer Note 45)	77.16	-
Carrying value at the end	80.19	3.03

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGUs, which are benefited from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGUs or groups of CGUs.

The key assumptions used for the calculations are as follows:

	As at March 31, 2025
Cash flow projections	6 to 8 years
Discount rate	14.75% to 16.5%
Terminal Growth	4% to 5%



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As of March 31, 2025, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions are unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

### (e) Depreciation, Amortisation and Impairment Expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation and impairment on property, plant and equipment (note 4(a))	128.52	129.67
Depreciation on right-of-use assets (note 4(b))	8.09	6.51
Amortisation of intangible assets (note 4(c))	21.90	11.90
<b>Total</b>	<b>158.51</b>	<b>148.08</b>

### (f) Capitalisation of Expenses

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

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages (Refer note 25)	15.68	10.64
Interest expenses (Refer note 26)	37.23	8.32
Others (Refer note 27)	6.74	1.60
<b>Total</b>	<b>59.65</b>	<b>20.56</b>

## 5 Investment in Associates

Particulars	Face value per share	Number of shares		Amount	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Investments in Equity Instruments:</b>					
<b>Investments accounted using the equity method</b>					
<b>Cumulative convertible preference shares in associate (unquoted)</b>					
Covacsis Technologies Private Limited (16.67%) (March 31, 2024: 16.67%)	Rs. 10	43,192	43,192	9.10	9.51
ExactSpace Technologies Private Limited (15.17%) (March 31, 2024: 15.17%)	Rs. 10	1,921	1,921	9.71	9.54
<b>Subtotal</b>				<b>18.81</b>	<b>19.05</b>
Less: classified as held for sale (Refer note below)				(9.10)	-
<b>Total investments in associates</b>				<b>9.71</b>	<b>19.05</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (a) Investment in associates - Equity method

#### (i) Investment in Covacsis Technologies Private Limited

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

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

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Current assets</b>		
Cash and cash equivalents	0.05	0.72
Other current assets	2.80	2.07
<b>Total current assets (A)</b>	<b>2.85</b>	<b>2.79</b>
<b>Total non-current assets (B)</b>	<b>6.52</b>	<b>5.86</b>
<b>Non-current liabilities</b>		
Financial liabilities	0.20	0.37
Other non-current liabilities	0.75	0.32
<b>Total non-current liabilities (C)</b>	<b>0.95</b>	<b>0.69</b>
<b>Current liabilities</b>		
Financial liabilities	1.84	1.79
Other current liabilities	4.18	0.75
<b>Total current liabilities (D)</b>	<b>6.02</b>	<b>2.54</b>
<b>Net assets E=(A+B-C-D)</b>	<b>2.40</b>	<b>5.42</b>
Group's share in net assets - 16.67% ( March 31, 2024: 16.67%)	0.40	0.90
Other adjustment	(0.09)	-
Goodwill	<b>8.61</b>	<b>8.61</b>
<b>Carrying amount</b>	<b>9.10</b>	<b>9.51</b>
Less: Classified as held for sale (note below)	9.10	-
<b>Carrying amount after classification</b>	<b>-</b>	<b>9.51</b>

#### Note:

On March 26, 2025, the Holding Company has entered into an sale agreement for investment held in Covacsis Technologies Private Limited, an associate (CTPL) to Infinite Uptime, Inc. (transferee company), for an upfront consideration of Rs. 10 crore (Which has been received on April 8, 2025 by the Holding Company). As the criteria specified in Ind AS 105 for classification as held for sale were met as at the reporting date, the investment has been classified as a non-current asset held for sale and is no longer accounted for using the equity method. On reclassification, the investments has been measured at the lower of carrying amount and fair value less cost to sell and consequently, no impairment loss in respect of CTPL has been recognised in the consolidated Profit and Loss for the year ended March 31, 2025.



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for the year ended March 31, 2025

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

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

Summarised statement of Profit and Loss	For the year ended March 31, 2025	For the year ended March 31, 2024
Total income	8.61	5.33
Cost of raw materials and components consumed	1.06	0.77
Depreciation and amortisation expenses	1.44	0.52
Finance costs	0.23	0.23
Employee benefits expenses	4.52	3.40
Other expenses	3.25	2.20
<b>(Loss) before tax</b>	<b>(1.89)</b>	<b>(1.79)</b>
Tax expenses	-	-
<b>(Loss) for the year</b>	<b>(1.89)</b>	<b>(1.79)</b>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>(1.89)</b>	<b>(1.79)</b>
<b>Group's share of (loss) - 16.67%</b>	<b>(0.32)</b>	<b>(0.30)</b>

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

The associate had no contingent liabilities or capital commitments as at March 31, 2025 and March 31, 2024.

### (ii) Investment in Exactspace Technologies Private Limited

The Group holds a 15.17% equity interest in Exactspace Technologies Private Limited ("Exactspace"), a company engaged in the development of artificial intelligence solutions. The Group initially acquired a 10.41% stake on January 25, 2022, and subsequently acquired an additional 4.76% during the year ended March 31, 2024, through a further investment of Rs. 3.50. The Group has representation on Exactspace's Board of Directors and participates in policy-making decisions. Accordingly, the Group exercises significant influence over Exactspace, and the investment is accounted for using the equity method in the consolidated financial statements.

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

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Current assets</b>		
Cash and cash equivalents	1.09	4.68
Other current assets	4.49	3.53
<b>Total current assets (A)</b>	<b>5.58</b>	<b>8.21</b>
<b>Total non-current assets (B)</b>	<b>6.51</b>	<b>0.47</b>
<b>Non-current liabilities</b>		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Particulars	As at March 31, 2025	As at March 31, 2024
Financial liabilities	0.10	0.10
Other non-current liabilities	0.39	0.23
<b>Total non-current liabilities (C)</b>	<b>0.49</b>	<b>0.33</b>
<b>Current liabilities</b>		
Financial liabilities	0.49	0.35
Other current liabilities	1.65	1.68
<b>Total current liabilities (D)</b>	<b>2.14</b>	<b>2.03</b>
<b>Net assets E=(A+B-C-D)</b>	<b>9.46</b>	<b>6.32</b>
Group's share in net assets - 15.17% ( March 31, 2024: 15.17%)	1.44	0.96
Other adjustment	0.31	-
Goodwill	8.58	8.58
<b>Carrying amount</b>	<b>9.71</b>	<b>9.54</b>

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

Summarised statement of Profit and Loss	For the year ended March 31, 2025	For the year ended March 31, 2024
Total income	6.60	5.51
Cost of raw materials and components consumed	0.13	0.37
Depreciation and amortisation expenses	0.24	0.41
Employee benefits expenses	5.38	6.79
Other expenses	1.77	2.42
<b>(Loss) before tax</b>	<b>(0.92)</b>	<b>(4.48)</b>
Tax expenses	-	0.29
<b>(Loss) for the year</b>	<b>(0.92)</b>	<b>(4.77)</b>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>(0.92)</b>	<b>(4.77)</b>
<b>Group's share of (loss)</b>	<b>(0.14)</b>	<b>(0.52)</b>

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

The associate had no contingent liabilities or capital commitments as at March 31, 2025 and March 31, 2024.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 6 Other Investments

#### (a) Non-Current Investments

Particulars	Face value per share	Number of shares		Amount	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Investments in Equity Instruments:					
Investments at fair value through Profit and Loss					
Unquoted equity shares (fully paid up)					
Sicom Limited <sup>#</sup>	Rs. 10	10,000	10,000	-	-
Total investment in equity shares				-	-
Investments in Mutual Funds (Quoted):					
Investments at fair value through Profit and Loss					
Fund of Funds (FOF)				-	80.62
Exchange Traded Funds (ETF) and Index Funds				79.94	88.69
Floater Fund				-	63.96
Sub total (A)				79.94	233.27
Investments in Corporate Bonds and deposits (Unquoted)					
Investments at amortised cost					
Investments in Corporate Deposits (Unquoted)				41.07	-
Investments in Corporate Bonds (Unquoted)				-	149.31
Sub total (B)				41.07	149.31
Total non-current investments C = A+B				121.01	382.58
Aggregate amount of quoted investments and market value thereof				79.94	233.27
Aggregate amount of unquoted investments				41.07	149.31

<sup>#</sup>Deemed cost is considered to be Nil as on April 1, 2015.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

#### (b) Current Investments

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Investments in Mutual Funds :</b>		
<b>Investments at fair value through profit and loss</b>		
Units of Mutual Funds (Quoted)	1,390.91	1,047.56
<b>Sub total (A)</b>	<b>1,390.91</b>	<b>1,047.56</b>
<b>Investments in Corporate Bonds:</b>		
<b>Investments at amortised cost</b>		
Investments in Corporate Bonds (Unquoted)	150.35	74.00
Investments in Corporate Fixed Deposits (Unquoted)	26.66	241.90
<b>Sub total (B)</b>	<b>177.01</b>	<b>315.90</b>
<b>Total current investments D=(A+B)</b>	<b>1,567.92</b>	<b>1,363.46</b>
Aggregate amount of quoted investments and market value thereof	1,390.91	1,047.56
Aggregate amount of unquoted investments	177.01	315.90

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

### 7 Trade Receivables - At Amortised Cost

#### Accounting policy

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

#### (a) Non-Current Trade Receivables

	As at March 31, 2025	As at March 31, 2024
Trade receivables from:		
i) Related parties (note 33)	-	-
ii) Others	147.85	150.63
<b>Total</b>	<b>147.85</b>	<b>150.63</b>
<b>Break-up for security details</b>		
Secured, considered good	-	-
Unsecured, considered good	168.45	165.35
Trade receivables which has a significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	<b>168.45</b>	<b>165.35</b>
Less: Impairment allowance	(20.60)	(14.72)
<b>Total</b>	<b>147.85</b>	<b>150.63</b>





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### The ageing of non-current trade receivables:

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	
Undisputed trade receivables - Considered good	March 31, 2025	168.45	-	-	-	-	168.45
	March 31, 2024	165.35	-	-	-	-	165.35
<b>Sub-total</b>	March 31, 2025	<b>168.45</b>	-	-	-	-	<b>168.45</b>
	March 31, 2024	<b>165.35</b>	-	-	-	-	<b>165.35</b>
Less: Impairment allowance	March 31, 2025						(20.60)
	March 31, 2024						(14.72)
<b>Total</b>	<b>March 31, 2025</b>						<b>147.85</b>
	<b>March 31, 2024</b>						<b>150.63</b>

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, 2025	As at March 31, 2024
Trade receivables from:		
i) Related parties (note 33)	46.13	27.15
ii) Others	2,371.37	2,089.28
<b>Total</b>	<b>2,417.50</b>	<b>2,116.43</b>
<b>Break-up for security details</b>		
Secured, considered good	118.53	210.61
Unsecured, considered good	2,637.75	2,220.58
Trade receivables which has a significant increase in credit risk	12.66	19.04
Trade receivables - credit impaired	48.22	37.77
	<b>2,817.16</b>	<b>2,488.00</b>
Less: Impairment allowance*	(399.66)	(371.57)
<b>Total</b>	<b>2,417.50</b>	<b>2,116.43</b>

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

\*Includes provision amounting to Rs. 12.66 (March 31, 2024: Rs. 19.04) for trade receivables which have a significant increase in credit risk.

Pursuant to an arrangement with a bank, in one of the subsidiary has sold to the bank certain trade receivables on a non-recourse basis. The receivables sold were mutually agreed upon with the respective bank after considering the creditworthiness and contractual terms with the Customers. The subsidiary has transferred substantially all the risks and rewards of ownership of such receivables sold to the respective bank, and accordingly, the same were derecognised in the Balance Sheet. As at March 31, 2025, the amount of trade receivables de-recognised pursuant to the aforesaid arrangement of Rs. 42.21 (March, 31 2024: Rs. Nil).

During the year, subsidiary has entered into novation agreement with Reliance Bioenergy Limited as a result of which balance invoices are now billed to Reliance Industries Limited.

For terms and conditions relating to related party receivables, refer note 33.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### The ageing of current trade receivables:

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	
(i) Undisputed trade receivables - Considered good	March 31, 2025	1,352.44	892.73	197.38	143.93	50.15	2,733.07
	March 31, 2024	1,101.12	830.49	162.65	164.24	45.05	2,411.65
(ii) Undisputed trade receivables - Which have significant increase in credit risk	March 31, 2025	-	-	-	-	-	8.79
	March 31, 2024	0.17	0.17	0.08	0.02	0.41	15.17
(iii) Undisputed trade receivables - Credit impaired	March 31, 2025	8.20	4.08	5.13	17.13	6.23	46.82
	March 31, 2024	0.87	6.03	2.36	9.67	7.79	36.58
(iv) Disputed trade receivables - Considered good	March 31, 2025	-	-	-	-	-	1.57
	March 31, 2024	-	-	-	-	-	9.17
(v) Disputed trade receivables - Which have significant increase in credit risk	March 31, 2025	-	-	-	-	-	3.87
	March 31, 2024	-	-	-	-	-	3.87
(vi) Disputed trade receivables - Credit impaired	March 31, 2025	-	-	-	1.19	-	0.21
	March 31, 2024	-	-	1.19	-	-	1.19
<b>Sub-total</b>	March 31, 2025	<b>1,360.64</b>	<b>896.81</b>	<b>202.51</b>	<b>162.25</b>	<b>56.38</b>	<b>2,795.52</b>
	March 31, 2024	<b>1,102.16</b>	<b>836.69</b>	<b>166.28</b>	<b>173.93</b>	<b>53.25</b>	<b>2,477.63</b>
Unbilled trade receivables	March 31, 2025						21.64
	March 31, 2024						10.37
Less: Impairment allowance	March 31, 2025						(399.66)
	March 31, 2024						(371.57)
<b>Total</b>	<b>March 31, 2025</b>						<b>2,417.50</b>
	<b>March 31, 2024</b>						<b>2,116.43</b>

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

### (c) Expected Credit Loss (ECL)

#### Estimates and judgements

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

As a practical expedient, the Group uses a provision matrix to determine ECL impairment allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates a default rate of total revenue for trade receivables and contract revenue for contract assets. The Group follows provisioning norms based on ageing of receivables to estimate the impairment allowance under ECL. For retention receivables, the Group additionally categorises the receivables due from Public Sector Undertakings (PSUs) and Non-PSUs and follows a wider aged bucket provisioning norms as the performance guarantee tests require certain time period after the supplies are completed.

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

	Provision on trade receivables		Provision on unbilled revenue (contract assets)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
At the beginning of the year	386.29	392.28	27.38	24.59
Less: Bad debts/write off	(41.48)	(62.31)	-	-
	<b>344.81</b>	<b>329.97</b>	<b>27.38</b>	<b>24.59</b>
Add: Provision made during the year	148.56	135.76	7.35	2.91
Less: Reversed during the year	(70.36)	(83.17)	(2.27)	(0.12)
Exchange differences	(2.75)	3.73	-	-
<b>At the end of the year</b>	<b>420.26</b>	<b>386.29</b>	<b>32.46</b>	<b>27.38</b>

### 8 Loans - At Amortised Cost

#### (a) Non-Current Loans

	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, considered good</b>		
Loans to employees	4.55	4.28
<b>Total</b>	<b>4.55</b>	<b>4.28</b>
<b>Classification of above is as follows:</b>		
Loans receivables - considered good - Secured	-	-
Loans receivables - considered good - Unsecured	4.55	4.28
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
<b>Total</b>	<b>4.55</b>	<b>4.28</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

#### (b) Current Loans

	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, considered good</b>		
Loans to employees	1.27	1.14
<b>Total</b>	<b>1.27</b>	<b>1.14</b>
<b>Classification of above is as follows:</b>		
Loans receivables - considered good - Secured	-	-
Loans receivables - considered good - Unsecured	1.27	1.14
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
<b>Loans receivables - credit impaired</b>	<b>1.27</b>	<b>1.14</b>

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

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

### 9 Other Financial Assets

#### Accounting policy

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

#### (a) Other Non-Current Financial Assets

	As at March 31, 2025	As at March 31, 2024
Bank deposits with remaining maturity more than twelve months#	248.65	51.91
Unbilled revenue (contract assets)^	10.76	13.57
Packaged Scheme of Incentive (PSI)*	41.05	-
Security deposits	14.67	12.48
<b>Total</b>	<b>315.13</b>	<b>77.96</b>

#Includes bank deposits Rs. Nil (March 31, 2024: Rs. 1.50) which are pledged as margin money.

#Includes Debt Service Reserve Account (DSRA) Deposits with banks against Borrowings made as per the requirement of borrowing agreements with lenders for the purpose of repayment of principal and interest liability for the specified future period as per the terms of contract amounting to Rs. 6.55 (March 31, 2024: Rs. Nil).

\* Refer note 9(b)

^ Unbilled revenue is disclosed net of provision for impairment allowance of Rs. 2.81 (March 31, 2024: Rs. Nil).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (b) OTHER CURRENT FINANCIAL ASSETS

	As at March 31, 2025	As at March 31, 2024
<b>Derivative instruments at fair value though OCI</b>		
Cash flow hedges		
Foreign exchange forward contracts	4.99	1.08
<b>Derivative instruments at fair value through profit or loss</b>		
Derivative not designated as hedges		
Foreign exchange forward contracts	11.24	1.66
<b>At amortised cost</b>		
Government grant receivable		
Export incentive receivable	8.53	7.13
Packaged Scheme of Incentive (PSI)*	24.58	-
Unbilled revenue (contract assets)^	689.64	488.72
Security deposits**	14.56	13.76
Other receivables	21.92	27.58
<b>Total</b>	<b>775.46</b>	<b>539.93</b>

\* Includes Rs 65.63 (March 31, 2024: Rs Nil) towards incentive receivable under Package Scheme of Incentives (PSI), 2007 from Government of Maharashtra upon compliance of conditions and receipt of requisite approval for the period up to 2021-22. (Refer note 21(b))

\*\*Includes lease deposits given to directors of Rs. 0.53 (March 31, 2024: Rs. 0.18). The maximum amount due from directors during the year amounted to Rs. 0.53 (March 31, 2024: Rs. 0.18), refer note 33. This also includes deposits given to various other parties for rent, utilities etc.

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

^Unbilled revenue is disclosed net of provision for impairment allowance of Rs. 29.65 (March 31, 2024: Rs. 27.38).

## 10 Income Taxes

### Accounting policy

Tax expense comprises of current tax expense and deferred tax.

### Current tax

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

Current income tax relating to items recognised outside profit or loss is recognised either in OCI or in equity, in correlation to the underlying transaction. 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

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

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

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

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

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

### Estimates and assumptions

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

The major components of income tax expense for the year ended March 31, 2025 and March 31, 2024 are:

Statement of Profit and Loss	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	299.63	214.46
Deferred tax	(41.86)	11.31
<b>Income tax expense reported in the consolidated Statement of Profit and Loss</b>	<b>257.77</b>	<b>225.77</b>

Other comprehensive income	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Deferred tax related to items recognised in other comprehensive income during the year</b>		
Net (loss)/ gain on revaluation of cash flow hedge	(1.85)	0.75
Net (loss) on remeasurements of defined benefit plans	(2.33)	(2.11)
<b>Deferred tax credit in other comprehensive income</b>	<b>(4.18)</b>	<b>(1.36)</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting profit before tax (after exceptional items)	884.47	868.96
Exceptional items gain	-	75.49
Share of (loss) of associates	(0.24)	(0.82)
Accounting profit before tax (before share of (loss)/profit of associates and exceptional items)	<b>884.71</b>	<b>794.29</b>
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17% (March 31, 2024: 25.17%)	222.68	199.92
Deferred tax recognised on unabsorbed losses of earlier years	0.13	1.14
Deferred tax on account of utilisation of losses of previous year	(4.11)	(6.23)
Unrecognised tax benefits on tax losses	42.40	21.06
Taxes paid/payable on repatriation of branches/subsidiaries profits	4.71	4.18
Tax expenses for earlier years	5.45	-
Tax rate difference on Long Term Capital Gains	(9.75)	-
Others (includes effect of non-deductible business expenses and tax rate difference).	(3.74)	5.70
At the effective income tax of 29.14 % (March 31, 2024: 28.42%)	<b>257.77</b>	<b>225.77</b>
<b>Income tax expense reported in the Consolidated Statement of Profit and Loss</b>	<b>257.77</b>	<b>225.77</b>

## Deferred tax

Statement of Profit and Loss	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Deferred tax relates to the following:</b>		
Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purposes	46.89	49.95
Deferred tax utilised / created on unabsorbed losses of earlier year	(44.17)	(33.84)
Provision for doubtful debts, advances and liquidated damages	(5.56)	(14.62)
Temporary differences due to accounting treatment as required by Income tax standards	0.75	(3.32)
Items allowed on payment basis	(40.89)	(9.85)
Others*	1.12	22.99
<b>Deferred tax (income)/expense</b>	<b>(41.86)</b>	<b>11.31</b>

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

Balance Sheet	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax relates to the following:</b>		
Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purposes	(176.08)	(129.19)
Losses available for offsetting against future taxable income	102.94	58.77
Provision for doubtful debts, advances and liquidated damages	136.20	130.64
Recognised on account of business combination (Refer note 45)	(18.20)	-
Temporary differences in accounting treatment as required by Income tax standards	10.34	11.09
Items allowed on payment basis	73.29	30.07
Others*	(4.15)	(5.11)
<b>Net deferred tax assets</b>	<b>124.34</b>	<b>96.27</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

Reconciliation of deferred tax assets (net)	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Opening balance as at April 1</b>	<b>96.27</b>	<b>105.71</b>
Tax income/(expense) during the year recognised in profit or loss	41.86	(11.31)
Tax income during the year recognised in OCI - Items that will not be reclassified subsequently to profit or loss	2.33	2.11
Tax Income/(expenses) during the year recognised in OCI - Items that will be reclassified subsequently to profit or loss	1.85	(0.75)
Recognised on account of business combination (Refer note 45)	(18.20)	-
Currency translation effect	0.23	0.51
<b>Closing balance as at March 31</b>	<b>124.34</b>	<b>96.27</b>

Break up of gross deferred tax assets/liabilities	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	154.38	108.55
Deferred tax liabilities	(30.04)	(12.28)
<b>Net deferred tax assets</b>	<b>124.34</b>	<b>96.27</b>

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

The Group has tax losses of Rs. 287.15 (March 31, 2024: Rs. 238.42) that are available for offsetting against future taxable profits of the companies in which the losses arose. Majority of these losses will expire over a period by end of March 31, 2033. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group as they have arisen in subsidiaries that have been loss-making for some time, and also does not meet the requirements of recognition of deferred tax assets on unabsorbed losses as per Ind AS 12 on Income taxes. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by Rs. 70.18 (March 31, 2024: Rs. 52.62).

As at March 31, 2025, there is deferred tax liability of Rs. 4.71 (March 31, 2024: Rs. 4.18) for taxes that would be payable on the unremitted earnings of the Group's branches/subsidiaries wherein the Group has determined that undistributed profits of its branches/subsidiaries will be distributed in the foreseeable future. The deferred tax liabilities on temporary differences associated with investment in other subsidiaries which have not been recognised to the extent the Group is able to control the reversal of the temporary difference.

## 11 Other Assets

### (a) Other Non-Current Assets

	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, considered good</b>		
Advance to suppliers	-	0.07
Capital advance	157.04	105.92
Balances with government authorities	47.76	42.42
Prepayments	17.39	16.55
<b>Total</b>	<b>222.19</b>	<b>164.96</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (b) Other Current Assets

	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, considered good</b>		
Advance to suppliers	183.22	257.15
Advance to employees	7.50	13.16
Prepayments	31.92	30.14
Balances with government authorities	175.13	128.85
Prepaid employee benefits (Refer note 19 (c))	3.07	3.42
Deposit against litigation (Refer note 30A(d))	218.45	218.45
Others (includes interest due on tax refunds, other recoveries of expenses, etc.)	17.10	12.41
<b>Total</b>	<b>636.39</b>	<b>663.58</b>

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

## 12 Inventories

### Accounting policy

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

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

	As at March 31, 2025	As at March 31, 2024
Raw materials, components and bought-outs*	430.22	425.52
Work-in-progress	147.71	243.45
Finished goods**	104.58	75.36
Stores and spares	16.12	11.62
Traded goods	21.67	8.95
<b>Total</b>	<b>720.30</b>	<b>764.90</b>

\*Includes goods in transit Rs. 17.61 (March 31, 2024: Rs. 26.27)

\*\*Includes goods in transit Rs. 55.71 (March 31, 2024: Rs. 36.96)

For the year ended March 31, 2025 Rs. 6.46 (March 31, 2024: Rs. 6.80) was reversed (net of expense) for inventories carried at net realisable value. These were recognised during the year and included in 'cost of raw materials and components consumed and consumption of stores and spare parts' in the Statement of Profit and Loss.

For assets pledged as security, refer note 16.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

## 13

### (a) Cash and Cash Equivalents

#### Accounting policy

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

	As at March 31, 2025	As at March 31, 2024
Balances with banks^		
- in current accounts	170.44	233.18
- in Exchange Earners Foreign Currency (EEFC) account	27.89	0.55
- in deposits with original maturity of less than three months*	217.79	252.48
Cheques, drafts on hand	1.35	0.20
Cash on hand	0.21	0.17
<b>Total</b>	<b>417.68</b>	<b>486.58</b>

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

Includes Debt Service Reserve Account (DSRA) Deposits with banks against Borrowings made as per the requirement of borrowing agreements with lenders for the purpose of repayment of principal and interest liability for the specified future period as per the terms of contract amounting to Rs. 2.98 (March 31, 2024: Rs. Nil).

Cash and cash equivalents include Rs. 3.56 (March 31, 2024: Rs. 9.55) held by irrevocable trust controlled by the Group.

^Cash and cash equivalents balance includes of Rs. 1.13 (March 31, 2024: Rs. 13.09) held as security against import commitments.

### (b) Other Bank Balances - At Amortised Cost

	As at March 31, 2025	As at March 31, 2024
Bank deposits with original maturity more than three months and remaining maturity less than twelve months*	736.24	488.13
Unpaid dividend account (restricted)^	0.62	0.61
<b>Total</b>	<b>736.86</b>	<b>488.74</b>

^The Group can utilise these balances only towards settlement of unclaimed dividend

\*Includes Debt Service Reserve Account (DSRA) Deposits with banks against Borrowings made as per the requirement of borrowing agreements with lenders for the purpose of repayment of principal and interest liability for the specified future period as per the terms of contract amounting to Rs. 1.83 (March 31, 2024 : Rs. Nil).



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (c) Changes in Liabilities arising from Financing Activities

	Borrowings	Unpaid dividend	Lease liabilities
<b>As at April 1, 2023</b>	<b>805.47</b>	<b>0.69</b>	<b>19.99</b>
Cash flow (net)*	430.59	(0.08)	1.49
Unrealised foreign exchange loss	0.06	-	-
<b>As at March 31, 2024</b>	<b>1,236.12</b>	<b>0.61</b>	<b>21.48</b>
Addition on account of acquisition (Refer note 45)	18.51	-	1.73
Cash flow (net)*	433.61	0.01	1.11
Unrealised foreign exchange loss	0.39	-	-
<b>As at March 31, 2025</b>	<b>1,688.63</b>	<b>0.62</b>	<b>24.32</b>

\* Lease obligation includes new leases.

## 14 Share Capital

### Accounting policy

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

	As at March 31, 2025	As at March 31, 2024
<b>Authorised shares (Nos)</b>		
375,000,000 (March 31, 2024: 375,000,000) equity shares of Rs. 2/- each.	75.00	75.00
	<b>75.00</b>	<b>75.00</b>
<b>Issued, subscribed and fully paid share capital (Nos)</b>		
119,156,300 (March 31, 2024: 119,156,300) equity shares of Rs. 2/- each.	23.83	23.83
Less: 6,516,354 (March 31, 2024: 6,535,552) equity shares held by Trusts of Rs. 2/- each.	(1.30)	(1.31)
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>22.53</b>	<b>22.52</b>

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

	No. of shares	Amt
<b>Equity share of Rs. 2 each issued, subscribed and fully paid</b>		
As at April 1, 2023	112,614,860	22.52
Changes during the year*	5,888	-
<b>As at March 31, 2024</b>	<b>112,620,748</b>	<b>22.52</b>
Changes during the year*	19,198	0.01
<b>As at March 31, 2025</b>	<b>112,639,946</b>	<b>22.53</b>

\*On account of exercise of options by employees from Trust under ESOP Scheme.

### (b) Terms/rights attached to equity shares

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (c) Equity shares held by Holding Company

	As at March 31, 2025	As at March 31, 2024
<b>Holding Company</b>		
RDA Holding Private Limited	12.87	12.87
64,328,500 (March 31, 2024: 64,328,500) equity shares of Rs. 2/- each fully paid		

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

	As at March 31, 2025	As at March 31, 2024
<b>RDA Holding Private Limited, India</b>		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
<b>ARA Trusteeship Company Private Limited, India</b>		
%	7.99	7.99
No. of shares	9,520,805	9,520,805
<b>SBI Energy Opportunities Fund</b>		
%	6.03	3.37
No. of shares	7,184,525	4,011,857
<b>Nalanda India Equity Fund Ltd.</b>		
%	5.13	6.86
No. of shares	6,118,073	8,176,668
<b>Kotak Mahindra Mutual Fund</b>		
%	3.92	6.37
No. of shares	4,667,472	7,586,103

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

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

	As at March 31, 2025	As at March 31, 2024
<b>RDA Holding Private Limited, India</b>		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
% of change during the year	-	-
<b>ARA Trusteeship Company Private Limited, India</b>		
%	7.99	7.99
No. of shares	9,520,805	9,520,805
% of change during the year	-	-
<b>Mr. Pheroze Pudumjee</b>		
%	*	*
No. of shares	6,000	6,000
% of change during the year	-	-

\*represents less than 0.01%.

- (f) There were no issue of bonus shares/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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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### (a) Other Equity

	As at March 31, 2025	As at March 31, 2024
<b>Reserves and surplus</b>		
<b>Capital redemption reserve</b>		
Opening balance	60.34	60.34
Add: Redemption of preference shares of a subsidiary	52.70	-
Closing balance	<b>113.04</b>	<b>60.34</b>
<b>Capital reserve</b>	95.12	95.12
<b>General reserve</b>	435.31	435.31
<b>Retained earnings</b>		
Opening balance	3,710.64	3,141.57
Add: Profit for the year	634.47	645.28
Add: Adjustments on account of acquisition of non-controlling interest	-	43.05
Less: Fair value adjustment of put option (redemption liability)	(5.70)	-
Less: Dividends paid	(135.20)	(112.67)
Less: Adjustment on account of redemption of preference shares in a subsidiary	(52.70)	-
Movement during the year	<b>440.87</b>	<b>575.66</b>
<b>Items of other comprehensive income recognised directly in retained earnings:</b>		
Re-measurement (loss) on defined benefit plans, net of tax Rs. 2.33 (March 31, 2024: Rs. 2.11)	(6.91)	(6.59)
<b>Net surplus in the Statement of Profit and Loss</b>	<b>4,144.60</b>	<b>3,710.64</b>
<b>Securities premium</b>		
Opening balance	58.71	57.28
Add: Exercise of share options	5.84	1.43
Closing balance	<b>64.55</b>	<b>58.71</b>
<b>Share options outstanding account</b>		
Opening balance	5.97	2.52
Add: Compensation option granted during the year	5.84	4.88
Less: Exercise of share options	(5.84)	(1.43)
Closing balance	<b>5.97</b>	<b>5.97</b>
<b>Total Reserves and Surplus</b>	<b>4,858.59</b>	<b>4,366.09</b>
<b>Other reserves</b>		
<b>Cash flow hedge reserve</b>		
Opening balance	(1.83)	(4.08)
Add: Movement during the year (net)	(7.35)	3.00
Less: Tax on above movement	1.85	(0.75)
Closing balance	<b>(7.33)</b>	<b>(1.83)</b>
<b>Foreign currency translation reserve</b>		
Opening balance	53.02	57.49
Add: Movement during the year (net)	10.08	(4.47)
Closing balance	<b>63.10</b>	<b>53.02</b>
<b>Total</b>	<b>4,914.36</b>	<b>4,417.28</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### Nature and purpose of reserves

#### Capital redemption reserve

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

#### Capital reserve

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

#### General reserve

Represents amounts transferred from retained earning.

#### Retained earnings

The profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

#### Securities premium

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

#### Share options outstanding account

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

#### Cash flow hedge reserve

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

#### Foreign currency translation reserve

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

#### Defined benefit obligation

Following are the movement of amounts recognised in the statement of other comprehensive income on account of defined benefit obligation:

	As at March 31, 2025	As at March 31, 2024
Opening balance	36.57	27.87
Add: Total remeasurements cost for the year recognised in OCI	9.24	8.70
<b>Closing balance</b>	<b>45.81</b>	<b>36.57</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (b) Distribution made and Proposed Dividend

#### Accounting policy

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

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Cash dividend on equity shares declared and paid by Holding company:</b>		
Final dividend for the year ended 2023-2024: Rs. 12 per share (2022-2023: Rs. 10 per share) (gross of consolidation adjustments)	142.99	119.16
	<b>142.99</b>	<b>119.16</b>
<b>Proposed dividend of Holding Company on equity shares:</b>		
Proposed dividend for the year ended 2024-2025: Rs. 14 per share (2023-2024: Rs. 12 per share) (gross of consolidation adjustments)	166.82	142.99
	<b>166.82</b>	<b>142.99</b>

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

## 16 Borrowings - At Amortised Cost

### (a) Non-current borrowings

	As at March 31, 2025	As at March 31, 2024
<b>Term loans (from banks)</b>		
Secured loans - Foreign currency	14.06	12.20
Secured loans - Indian currency	870.39	830.56
Unsecured loan	25.18	-
<b>Term loans (from Financial Institutions)</b>		
Secured loans - Indian currency	300.00	-
<b>Total non-current borrowings</b>	<b>1,209.63</b>	<b>842.76</b>
Less: Amount disclosed under the head "Current borrowings" (note 16 (b))		
- Current maturities of term Loans	(48.08)	(53.28)
	<b>1,161.55</b>	<b>789.48</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (b) Current borrowings

	As at March 31, 2025	As at March 31, 2024
<b>Loans (from banks)</b>		
Secured loans - Packing credit	33.43	125.00
- Short term borrowings	27.59	0.06
- Buyer line of credit	99.57	-
Unsecured loans - Packing credit	25.90	268.36
- Unsecured loans - Financial Institutions	295.00	-
- Short term borrowings-Foreign currency	2.22	19.77
Current maturities of long-term borrowings	48.08	53.28
<b>Total</b>	<b>531.79</b>	<b>466.47</b>

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

For March 31, 2025:	Amount of loan	Repayment timelines	Tenure of loan	Rate of interest
<b>Non-current Borrowings:</b>				
Foreign currency borrowings				
- Secured from bank	14.06	Monthly/Annual	6-20 years	5.02% - 5.89% p.a.
Indian rupee borrowings				
- Secured from bank	870.39	Monthly/ Quarterly	4-20 years	8.17%-9.48% p.a.
- Secured from financial institute	300.00	Quarterly	76 Quarters	8.65% p.a.
- Unsecured from bank	25.18	Bullet repayment at the end of 6 years	6 years	8.30% p.a.
<b>Current Borrowings:</b>				
Foreign currency borrowings - Bank overdraft	2.22	On demand	On demand	9.40% p.a.
Indian rupee borrowings - Bank overdraft	2.49	On demand	On demand	9.25% p.a.
Indian rupee borrowings				
- Packing Credit	59.33	On maturity	90 to 270 days	4.78%-6.86% p.a.
- Secured buyer line of credit	99.57	Repayable within 90 days from date of shipment	various	7.50% to 7.90% p.a.
- Secured Borrowings	25.10	Monthly/On demand	Less than 1 year	8.10% - 9.23% p.a.
- Unsecured from Financial Institutions	295.00	Bullet repayment within 180 days from the disbursement	Within 180 days	8.65% p.a.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

For March 31, 2024:	Amount of loan	Repayment timelines	Tenure of loan	Rate of interest
<b>Non-current Borrowings:</b>				
Foreign currency borrowings	12.20	Quarterly	20 years	4.66% p.a.
Indian rupee borrowings	830.56	Monthly/Quarterly	7-20 years	8.15%-9.40% p.a.
<b>Current Borrowings:</b>				
Foreign currency borrowings	19.77	On demand	On demand	5.14%-9.14% p.a.
Foreign currency borrowings - Bank overdraft	0.06	On demand	On demand	8.58% p.a.
Indian rupee borrowings				
- Packing Credit	393.36	On maturity	180 to 365 days	5.50%-5.75% p.a.

As at March 31, 2025, few subsidiaries has not complied with some of the covenants under loan agreements in respect of non current borrowings of Rs. 292.46 (March 31, 2024 Rs. 40.37). The subsidiary has received the confirmation from Bank that the said borrowing will not be recalled as a consequence of such breaches.

### Assets pledged as security

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

	As at March 31, 2025	As at March 31, 2024
<b>Current</b>		
<b>Financial assets</b>		
Cash and cash equivalents	24.59	9.66
Trade receivables	63.61	20.23
Finance lease receivables	22.23	-
Other current assets	21.63	35.27
<b>Non-financial assets</b>		
Inventories	84.88	106.52
Other current assets	5.69	0.83
<b>Total current assets pledged as security</b>	<b>222.63</b>	<b>172.51</b>
<b>Non-current</b>		
<b>Financial assets</b>		
Finance lease receivables	174.90	125.48
Other assets	0.65	1.83
<b>Non-financial assets</b>		
Property, plant and equipment	1,281.65	780.14
Capital work-in-progress - Plant and machinery	291.88	164.88
Right of use asset - Leasehold land	14.40	12.57
Other assets	6.88	4.28
<b>Total non-currents assets pledged as security</b>	<b>1,770.36</b>	<b>1,089.18</b>
<b>Total assets pledged as security</b>	<b>1,992.99</b>	<b>1,261.69</b>

Bank overdraft are secured by hypothecation of present and future stock of inventories, book debts, other moveable assets, letter of comfort and corporate guarantee given by Holding Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Short term borrowings (foreign currency loans from banks) amounting to Rs. 2.22 (March 31, 2024: Rs. 19.77) are repayable on a fixed date (March 31, 2024: fixed date). Letter of comfort from Holding Company has been provided as collateral for these borrowings. The loan carry an annual interest rate of 9.40% p.a. (March 31, 2024: 5.14% - 9.14% p.a.).

Short term borrowings (foreign currency loans from banks) amounting to Rs. 2.49 (March 31, 2024: Rs. Nil) are repayable on demand. This overdraft is secured by a charge on current assets and carries an annual interest rate of 9.25% p.a.

Packing credit (secured and unsecured) carries an interest rate of 4.78% to 6.86% p.a. (March 31, 2024: 5.5% to 5.75% p.a.) due for repayment within 90 to 270 days from date of disbursement from the invoice date. These loans were secured by hypothecation of present and future stock of all inventories, stores and spares not related to plant and equipment, book debts and other moveable assets in March 31, 2025.

## 17 Trade Payables - at Amortised Cost

### (a) NON-CURRENT TRADE PAYABLES

	As at March 31, 2025	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 (Refer note 33)	-	-
ii) Others	54.37	48.15
<b>Total</b>	<b>54.37</b>	<b>48.15</b>

### The ageing of non-current trade payables:

Description			Not due	Outstanding for the following period from due date of payments				Total
				Less than a year	1-2 years	2-3 years	More than 3 years	
(i) Micro enterprises and small enterprises	March 31, 2025	-	-	-	-	-	-	
	March 31, 2024	-	-	-	-	-	-	
(ii) Other than micro enterprises and small enterprises	March 31, 2025	54.37	-	-	-	-	54.37	
	March 31, 2024	48.15	-	-	-	-	48.15	
(iii) Disputed dues - Micro enterprises and small enterprises	March 31, 2025	-	-	-	-	-	-	
	March 31, 2024	-	-	-	-	-	-	
(iv) Disputed dues - Others	March 31, 2025	-	-	-	-	-	-	
	March 31, 2024	-	-	-	-	-	-	
Total	March 31, 2025	54.37	-	-	-	-	54.37	
	March 31, 2024	48.15	-	-	-	-	48.15	

### (b) Current Trade Payables

	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	749.78	616.53
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related parties (note 33)	3.02	2.65
ii) Others	943.83	913.71
<b>Total</b>	<b>1,696.63</b>	<b>1,532.89</b>

For terms and conditions with related parties, refer note 33.

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### The ageing of current trade payables:

Description		Not due	Outstanding for the following period from due date of payments				Total
			Less than a year	1-2 years	2-3 years	More than 3 years	
(i) Micro enterprises and small enterprises	March 31, 2025	667.86	60.31	10.40	3.25	7.23	749.05
	March 31, 2024	540.76	58.10	7.37	3.75	5.82	615.80
(ii) Other than micro enterprises and small enterprises	March 31, 2025	491.36	151.65	11.51	7.44	20.48	682.44
	March 31, 2024	448.93	86.28	35.84	7.16	17.98	596.19
(iii) Disputed dues - Micro enterprises and small enterprises	March 31, 2025	-	-	-	-	0.73	0.73
	March 31, 2024	-	-	-	-	0.73	0.73
(iv) Disputed dues - Others	March 31, 2025	0.12	-	-	-	0.51	0.63
	March 31, 2024	-	-	-	0.27	0.24	0.51
Subtotal	March 31, 2025	1,159.34	211.96	21.91	10.69	28.95	1,432.85
	March 31, 2024	989.69	144.38	43.21	11.18	24.77	1,213.23
Unbilled trade payables (Includes year end accruals)	March 31, 2025						263.78
	March 31, 2024						319.66
Total	March 31, 2025						1,696.63
	March 31, 2024						1,532.89

## 18 Financial Liabilities

### Accounting policy

#### Redemption liability

Liability for put option issued to non-controlling interests, to be settled in cash by the Group, which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non- controlling interests subject to put option is derecognised and the difference between the amount derecognised and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction.

### (a) Other Non-Current Financial Liabilities

	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Trade deposits	21.60	20.58
Liability towards employee separation scheme	-	0.22
Redemption liability*	97.08	30.24
Total	118.68	51.04

\*One of the subsidiary, First Energy Private Limited (FEPL) has accounted for Special Purpose Vehicles (SPVs) using the acquisition method. There are other stakeholders in these SPVs owning upto 27% stake in these entities. A redemption liability of Rs. 31.65 (March 31, 2024: Rs. 30.24) has been accounted for non-controlling interest portion.

One of the subsidiary, TSA Process Equipments Private Limited (TSA) has accounted a redemption liability of Rs. 65.43 (March 31, 2024: Rs. Nil) on account of non-controlling interest portion.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (b) Other Current Financial Liabilities

	As at March 31, 2025	As at March 31, 2024
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	6.52	1.91
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	6.71	2.83
At amortised cost		
Employee related payables	140.18	136.68
Payables for Property, plant and equipment and intangible assets	48.21	31.82
Liability towards employee separation scheme#	0.84	1.95
Unpaid dividend	0.62	0.61
Purchase consideration payable	10.20	-
Other payables*	11.99	13.64
Total	225.27	189.44

\*includes dealer deposits, security deposits, etc.

#The Group as on October 05, 2020 announced a Voluntary Retirement Scheme (VRS) for its eligible employees. The outstanding amount of scheme benefits payable to employees as on March 31, 2025 is Rs. 0.84 (March 31, 2024: Rs. 2.17).

## 19 Provisions

### Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually. For EPC, warranty provision is recorded basis significant progress.

It is expected that this expenditure will be incurred over the contracted warranty period ranging up to 2 years. If warranty claim costs vary by 10% from management's estimate, the warranty provisions would be an estimated Rs. 18.27 higher or lower (March 31, 2024: Rs. 15.62).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### Provision for onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

A provision for expected loss on contracts with customers is recognised when it is probable that the contracts costs will exceed total contract revenue. For all other contracts, provision is made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits. The timing of cash outflows in respect of such provision is over the contract period.

### Provision for litigation

Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

### Decommissioning liability

The Group records a provision for decommissioning costs of its manufacturing facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

A provision has been recognised for decommissioning costs associated with the properties taken on lease by the Group. The Group is committed to restore the sites on conclusion of the manufacturing activities. The timing of cash outflows in respect of such provision cannot be reasonably determined.

### Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group and some of its Indian subsidiaries operate a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in the Statement of Profit and Loss on the earlier of:

- (a) The date of the plan amendment or curtailment; and
- (b) The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

### Long term incentives

The provision for long term incentives is recognised considering the estimated payout expected by the Group at present value using projected unit credit method. These include the determination of the discount rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the long term incentives.

### Termination benefits

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

- (a) When the Group can no longer withdraw the offer of these benefits; and
- (b) When the entity recognises cost for a restructuring that is within the scope of Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets” and involves payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025  
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

## Estimates and assumptions

- Provision for onerous contracts:** The Group provides for future losses on EPC contracts where it is considered highly probable that the contract costs are likely to exceed revenues in future years. Estimating these future losses involves a number of assumptions about the achievement of contract performance targets and the likely levels of future cost escalation over time.
- Warranty provision:** The Group offers warranty for its various products. Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of warranty costs. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Group’s productivity and quality initiatives. Warranty provisions are discounted using a pre-tax discount rate which reflects current market assessments of time value of money and risks specific to the liability.
- Defined benefit plan - Gratuity:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations through projected unit cost method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

## (a) Non-Current Provisions

	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits</b>		
Provision for gratuity	2.21	0.77
Other long-term employee benefits	3.12	7.55
	<b>5.33</b>	<b>8.32</b>
<b>Other provisions</b>		
Provision for warranties	20.28	20.02
Provision for decommissioning liability	14.77	14.09
	<b>35.05</b>	<b>34.11</b>
<b>Total</b>	<b>40.38</b>	<b>42.43</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025  
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

## (b) Current Provisions

	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits</b>		
Provision for gratuity	12.50	5.79
Provision for leave encashment	91.92	83.05
	<b>104.42</b>	<b>88.84</b>
<b>Other provisions</b>		
Provision for onerous contracts	56.59	29.63
Provision for warranties	162.45	136.22
Provision for litigation	50.63	50.63
	<b>269.67</b>	<b>216.48</b>
<b>Total</b>	<b>374.09</b>	<b>305.32</b>

## Movement in provisions

For the year ended March 31, 2025:	Provision for Litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
<b>Balance as at April 1, 2024</b>	<b>50.63</b>	<b>29.63</b>	<b>156.24</b>	<b>14.09</b>
Additional provision recognised	-	30.91	67.34	0.10
Unused amounts reversed	-	(0.97)	(36.42)	-
Unwinding of discount	-	-	8.15	0.58
Utilised during the year	-	(2.98)	(12.58)	-
<b>Balance as at March 31, 2025</b>	<b>50.63</b>	<b>56.59</b>	<b>182.73</b>	<b>14.77</b>
<b>Breakup of provisions:</b>				
Current	50.63	56.59	162.45	-
Non-current	-	-	20.28	14.77
<b>Total</b>	<b>50.63</b>	<b>56.59</b>	<b>182.73</b>	<b>14.77</b>

For the year ended March 31, 2024	Provision for litigation	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
<b>Balance as at April 1, 2023</b>	<b>-</b>	<b>13.75</b>	<b>138.65</b>	<b>12.87</b>
Additional provision recognised	50.63	21.31	66.18	0.10
Unused amounts reversed	-	(0.74)	(39.04)	-
Unwinding of discount	-	-	8.31	1.12
Utilised during the year	-	(4.69)	(17.86)	-
<b>Balance as at March 31, 2024</b>	<b>50.63</b>	<b>29.63</b>	<b>156.24</b>	<b>14.09</b>
<b>Breakup of provisions:</b>				
Current	50.63	29.63	136.22	-
Non-current	-	-	20.02	14.09
<b>Total</b>	<b>50.63</b>	<b>29.63</b>	<b>156.24</b>	<b>14.09</b>





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (c) Gratuity

The Holding Company and its Indian subsidiaries operate a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure at 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an Insurance Company in the form of qualifying insurance policy. The fund has formed a trust and it is governed by the Board of Trustees. Overseas subsidiaries do not operate any defined benefit plans for their employees.

The fund is subject to risks such as asset volatility, changes in asset yields and asset liability mismatch risk. In managing the plan assets, Board of Trustees reviews and manages these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset-liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk-averse markets). The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

	As at March 31, 2025	As at March 31, 2024
Current asset	3.07	3.42
Current liability	(12.50)	(5.79)
Non-current liability	(2.21)	(0.77)
<b>Net asset/(liability)</b>	<b>(11.64)</b>	<b>(3.14)</b>

### 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
<b>April 1, 2023</b>	<b>124.00</b>	<b>(132.44)</b>	<b>(8.44)</b>
Current service cost	13.55	(6.23)	7.32
Interest expense/(income)	8.72	(3.28)	5.44
<b>Total amount recognised in (Profit) or Loss</b>	<b>22.27</b>	<b>(9.51)</b>	<b>12.76</b>
Experience adjustments	3.43	0.17	3.60
Return on plan assets (income)	-	0.60	0.60
Actuarial loss from change in demographic assumptions	0.01	-	0.01
Actuarial loss from change in financial assumptions	4.65	(0.10)	4.55
<b>Total amount recognised in Other Comprehensive Income</b>	<b>8.09</b>	<b>0.67</b>	<b>8.76</b>
Employer contributions	-	(7.10)	(7.10)
Benefits paid	(12.86)	10.02	(2.84)
<b>March 31, 2024</b>	<b>141.50</b>	<b>(138.36)</b>	<b>3.14</b>
Acquisition adjustment	0.90	-	0.90
Current service cost	16.98	-	16.98
Interest expense/(income)	9.51	(9.92)	(0.41)
<b>Total amount recognised in (Profit) or Loss</b>	<b>26.49</b>	<b>(9.92)</b>	<b>16.57</b>
Experience adjustments	3.38	(0.02)	3.36
Return on plan assets (income)	-	0.09	0.09
Actuarial loss from change in demographic assumptions	(0.05)	-	(0.05)
Actuarial loss from change in financial assumptions	5.50	0.34	5.84
<b>Total amount recognised in Other Comprehensive Income</b>	<b>8.83</b>	<b>0.41</b>	<b>9.24</b>
Employer contributions	-	(5.80)	(5.80)
Benefits paid	(15.78)	3.37	(12.41)
<b>March 31, 2025</b>	<b>161.94</b>	<b>(150.30)</b>	<b>11.64</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

	As at March 31, 2025	As at March 31, 2024
Present value of funded obligation	161.94	141.50
Fair value of plan assets	(150.30)	(138.36)
<b>Deficit of funded plan</b>	<b>11.64</b>	<b>3.14</b>

### III Significant assumptions

The principal actuarial assumptions were as follows:

	As at March 31, 2025	As at March 31, 2024
Discount rate	6.6% to 6.9%	7.00% to 7.40%
Future salary growth rate	7 % to 10 %	7 % to 10 %
Normal retirement age	60 years	60 years
Mortality table	Indian Assured Lives Mortality (2012-14)ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Employee turnover	5% to 12%	5% to 12%

### IV Sensitivity analysis

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

Assumptions	As at March 31, 2025		As at March 31, 2024	
	Impact of 1% increase	Impact of 1% decrease	Impact of 1% increase	Impact of 1% decrease
Discount rate	Decrease by 10.88	Increase by 11.83	Decrease by 7.19	Increase by 7.99
Future salary increase	Increase by 10.09	Decrease by 9.41	Increase by 6.64	Decrease by 6.08
Attrition rate	Decrease by 2.07	Increase by 2.04	Decrease by 0.29	Increase by 0.10

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

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

	As at March 31, 2025	As at March 31, 2024
Within next 12 months	27.27	25.10
Between 2-5 years	88.90	79.06
Next 5 years	125.15	106.32

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.86 years (March 31, 2024: 9.02 years)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### V The major categories of plan assets are as follows:

	As at March 31, 2025	As at March 31, 2024
Investments with Insurer (LIC of India)	100.00%	100.00%

### (d) OTHER LONG-TERM EMPLOYEE BENEFITS

One of the subsidiary offers cash bonuses to certain managerial employees the amount of which is based on performance of the subsidiary in a specific year. The amount of provision recognised for the long term employee benefit is Rs. 3.12 (March 31, 2024: Rs. 7.55).

## 20 Other Liabilities

### Accounting policy

**Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group satisfies the performance obligation. Contract liabilities are recorded in balance sheet as unearned revenue or customer advances as the case may be.

### (a) Other Non-Current Liabilities

	As at March 31, 2025	As at March 31, 2024
Contract liabilities		
Unearned revenue* (Contract liabilities)	22.63	13.07
Advance lease rentals	13.87	15.00
<b>Total</b>	<b>36.50</b>	<b>28.07</b>

\*Pertains to revenue remaining unearned for the portion attributable to maintenance of leased equipment constructed at customer premises under finance lease arrangements.

### (b) Other Current Liabilities

	As at March 31, 2025	As at March 31, 2024
<b>Contract liabilities</b>		
Unearned revenue (Contract liabilities)	1,145.06	843.03
Customer advances^	1,469.20	1,260.56
Advance lease rentals	2.24	3.11
Statutory dues and other liabilities**	94.11	78.41
<b>Total</b>	<b>2,710.61</b>	<b>2,185.11</b>

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

^ Include amount payable to related Party of Rs. 2.03 (March 31, 2024: Rs. 2.28).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

## 21 Revenue from Operations

### Accounting policy

**Revenue from contracts with customers:** Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The Group collects goods and services tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

The Group has following streams of revenue:

#### • Revenue from Engineering, Procurement and Construction contracts

Engineering, Procurement and Construction (EPC) contracts are contracts (or a group of contracts secured together) specifically negotiated for the construction of an asset with customer which refers to any project for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods. The Group identifies distinct performance obligations in each contract. For most of the project contracts, the customer contracts with the Group to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

The Group may promise to provide distinct goods or services within a contract, in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. The Group uses the expected cost plus a margin approach to estimate the standalone selling price of each performance obligation in case of contracts with more than one distinct performance obligations.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognised over a period of time if any of the following criteria is met:

- The customer simultaneously consumes the benefits as the Group performs, or
- The customer controls the work-in-progress, or
- The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

The Group recognises revenue over time as it performs because of continuous transfer of control to the customers. For all project contracts, this continuous transfer of control to the customer is supported by the fact that the customers typically control the work in process as evidenced either by contractual termination clauses or by the rights of the Group to payment for work performed to date plus a reasonable profit to deliver products or services that do not have an alternative use.

The Group uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred.

The Group estimates variable consideration amount which it expects to be entitled under the contract and includes it in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur and when the uncertainty associated with it is subsequently resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Costs associated with bidding for contracts are charged to the Statement of Profit and Loss when they are incurred. Costs that relate directly to a contract and are incurred in securing the contract are included as part of the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

Contract modification, when approved by both the parties to the contract, are considered as modification, if it creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are not distinct from the existing contract due to the significant integration service provided under the contract prior to modifications and are therefore, accounted for as part of the existing contract. The effect of a contract modification is recognised as an adjustment to revenue on a cumulative catch-up basis.

When it becomes probable that the total contract costs will exceed the total contract revenue, the Group recognises the expected losses from onerous contract as an expense immediately.

Penalties for any delay or improper execution of a contract are recognised as a deduction from revenue. In the balance sheet, such provisions are presented on net basis of the contract receivables.

• **Revenue from sale of goods**

If the criteria for revenue under over-a-period of time as mentioned above are not met, the Group recognises revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The Group provides for warranty provision for general repairs up to 18 - 24 months on its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. The Group does not provide any extended warranties.

• **Revenue from sale of services**

Revenue in respect of operation and maintenance contract, awarded on a standalone basis or included in long term contracts and identified as a separate performance obligation, is recognised on a time proportion basis under the contracts.

• **Revenue where the Group as a Lessor**

Revenue from sale of utilities is recognised at the point in time when control of the asset is transferred to the customer, on supply of the utilities. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

• **Revenue from sale of power**

Revenue from sale of power is recognised at transaction price and over time of each unit of electricity delivered at the contracted rate. The transaction price is adjusted for significant financing component, if any and the adjustment is accounted as finance cost.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### Estimates and assumptions

#### EPC contracts

- **Provisions for liquidated damages claims (LDs):** The Group provides for LD claims to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This requires an estimate of the amount of LDs payable under a claim which involves a number of management judgements and assumptions regarding the amounts to be recognised;
- **Project cost to complete estimates:** At each reporting date, the Group is required to estimate costs to complete on fixed-price contracts. Estimating costs to complete on such contracts requires the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate will impact revenues, cost of sales, work-in-progress, billings in excess of costs, estimated earnings and accrued contract expenses;
- **Recognition of contract variations:** The Group recognises revenues and margins from contract variations where it is considered probable that they will be awarded by the customer and this requires management to assess the likelihood of such an award being made by reference to customer communications and other forms of documentary evidence.

#### judgements

A significant portion of the Group's business relates to EPC contracts which is accounted using cost-based input method, recognising revenue as the performance on the contract progresses. This requires management to make judgement with respect to identifying contracts for which revenue need to be recognised over a period of time, depending upon when the customer consumes the benefit, when the control is passed to customer, whether the asset created has an alternative use and whether the Group has right to payment for performance completed till date, either contractually or legally. The input method requires management to make significant judgements of the extent of progress towards completion including accounting of multiple contracts which need to be combined and considered as a single contract.

#### (a) Revenue from Contract with Customers

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from projects and products	9,203.56	8,174.98
Revenue from services	1,052.25	1,062.26
<b>Total revenue from contracts with customers (a)</b>	<b>10,255.81</b>	<b>9,237.24</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (b) Other Operating Revenue

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Government Grant</b>		
- Export incentives	20.73	20.46
- Packaged Scheme of Incentive (PSI)*	65.63	-
Sale of scrap	23.36	26.20
Interest income from finance lease	31.70	20.75
Commission income	3.40	3.08
Exchange fluctuation gain/(loss) (net)*	(17.79)	9.40
Royalty income	5.20	2.92
Miscellaneous income	0.65	3.41
<b>Total other operating revenue (b)</b>	<b>132.88</b>	<b>86.22</b>
<b>Total revenue from operations (a+b)</b>	<b>10,388.69</b>	<b>9,323.46</b>

\*Includes mark to market gain/(loss) on forward contracts not subjected to hedge accounting Rs. 4.53 (March 31, 2024: Rs. (0.37)).

#One of the subsidiary is eligible for claiming incentives for investments made under the Industrial Policy of the Government of Maharashtra under Package Scheme of Incentive (PSI) Scheme 2007. The subsidiary's manufacturing unit at Shirwal in Maharashtra is eligible and had Eligibility Certificate (EC) for Mega Project under the Package Scheme of Incentive (PSI) 2007, under certificate no DI/PSI-2007/Mega Project/EC-306/2014/B-8013 dated August 14, 2014. Basis the above Eligibility certificate, it has started availing incentives under the PSI 2007. Accordingly, the Group has recognised the grant income amounting to Rs. 65.63 for the year ended March 31, 2025 (March 31, 2024: Rs Nil).

### (c) Disclosure Pursuant to IND AS 115: Revenue from Contract with Customers

#### i) By category of contracts

	For the year ended March 31, 2025	For the year ended March 31, 2024
Over a period of time basis	6,595.31	5,968.15
At a point-in-time basis	3,660.50	3,269.09
<b>Total revenue from contracts with customers</b>	<b>10,255.81</b>	<b>9,237.24</b>

#### Revenue by segment (Refer note 34)

	For the year ended March 31, 2025				
	Industrial Products	Industrial Infra	Green Solutions	Chemicals	Total
<b>Revenue from contracts with customers</b>					
External revenue	4,510.70	4,639.64	656.89	756.15	10,563.38
Inter segment	(279.83)	(4.30)	(11.00)	(12.44)	(307.57)
<b>Total revenue from contracts with customers</b>	<b>4,230.87</b>	<b>4,635.34</b>	<b>645.89</b>	<b>743.71</b>	<b>10,255.81</b>
Other operating income	18.29	74.92	32.99	6.68	132.88
<b>Total revenue from operations</b>	<b>4,249.16</b>	<b>4,710.26</b>	<b>678.88</b>	<b>750.39</b>	<b>10,388.69</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

	For the year ended March 31, 2024				
	Industrial Products	Industrial Infra	Green Solutions	Chemicals	Total
<b>Revenue from contracts with customers</b>					
External revenue	4,025.25	4,428.34	484.22	656.80	9,594.61
Inter segment	(334.31)	(8.05)	(7.29)	(7.72)	(357.37)
<b>Total revenue from contracts with customers</b>	<b>3,690.94</b>	<b>4,420.29</b>	<b>476.93</b>	<b>649.08</b>	<b>9,237.24</b>
Other operating income	29.96	26.87	22.84	6.55	86.22
<b>Total revenue from operations</b>	<b>3,720.90</b>	<b>4,447.16</b>	<b>499.77</b>	<b>655.63</b>	<b>9,323.46</b>

#### ii) Contract balances

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

	As at March 31, 2025	As at March 31, 2024
Trade receivables (Refer note 7)	2,565.35	2,267.06
Unbilled revenue (Contract asset) (Refer note 9(a) and 9(b))	700.40	502.29
Unearned revenue (Contract liability) (Refer note 20)	1,167.69	856.10
Customer advances (Contract liability) (Refer note 20)	1,469.20	1,260.56

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date from projects and customised contracts. Contract assets are transferred to trade receivables on completion of milestones and related invoicing.

The contract liabilities relate to unearned revenue and customer advances where performance obligations are yet to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised, with no impact on the Group's cash positions on specific projects.

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

	As at March 31, 2025	As at March 31, 2024
Unearned revenue	605.16	578.14
Customer advance	896.18	937.20

#### iv) Changes in unbilled revenue and unearned revenue for the year

The explanation of the significant changes in the contract asset and the contract liability balances during the year presented in the table below:



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

	As at March 31, 2025	As at March 31, 2025
<b>Opening unbilled revenue (Refer note 9(a) and 9(b))</b>	<b>502.29</b>	
<b>Opening unearned revenue (Refer note 20)</b>	<b>856.10</b>	<b>(353.81)</b>
- Transfer of contract assets to receivable from opening unbilled revenue	(476.57)	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	605.16	
- Transfer of contract assets to receivable	(6,251.05)	
- Increase in revenue as a result of changes in the measure of progress	5,990.15	
- Others*	18.83	(113.48)
<b>Closing unbilled revenue (Refer note 9(a) and 9(b))</b>	<b>700.40</b>	
<b>Closing unearned revenue (Refer note 20)</b>	<b>1,167.69</b>	<b>(467.29)</b>

\*includes adjustments on account of onerous contracts, impairment allowance on contract assets for the year etc.

	As at March 31, 2024	As at March 31, 2024
<b>Opening unbilled revenue (Refer note 9(a) and 9(b))</b>	<b>495.13</b>	
<b>Opening unearned revenue (Refer note 20)</b>	<b>764.76</b>	<b>(269.63)</b>
- Transfer of contract assets to receivable from opening unbilled revenue	(443.73)	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	578.14	
- Transfer of contract assets to receivable	(5,619.47)	
- Increase in revenue as a result of changes in the measure of progress	5,390.01	
- Others*	10.87	(84.18)
<b>Closing unbilled revenue (Refer 9(a) and 9(b))</b>	<b>502.29</b>	
<b>Closing unearned revenue (Refer 20)</b>	<b>856.10</b>	<b>(353.81)</b>

\*includes adjustments on account of onerous contracts, impairment allowance on contract assets for the year etc.

### v) Performance obligations

Performance obligation in a project or a group of projects which are contracted at or near same time with the same or related parties and negotiated simultaneously, are combined for the purpose of evaluation. The Group has estimated that multiple commitments pertaining to engineering, procurement and commissioning of such projects is a single performance obligation which is spread over different accounting periods.

Performance obligation for products are evaluated on standalone basis, recognised at a point in time. Generally, performance obligations for such contracts have an original expected duration of one year or less.

There are no major contracts with customers which have significant financing component included within them and therefore there is no difference between the timing of satisfaction of performance obligation vis a vis the timing of the payment.

#### Remaining performance obligations:

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

The Group applies practical expedient included in para 121 of Ind AS 115 and does not disclose information about its remaining performance obligations for contracts that have an original expected duration of one year or less.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

	As at March 31, 2025	As at March 31, 2024
Amount of revenue yet to be recognised for contracts in progress*	5,615.29	5,175.80

The Group expects that a significant portion of the remaining performance obligation will be completed in the next 1 to 2 years.

The Group has disclosed remaining performance obligation expected to be fulfilled in next 12 months where the contracts with customers for supply of utilities/operation and maintenance services are for a longer period.

One of the subsidiary who is involved in solar/ wind power generation has applied practical expedient included in para 121 of Ind AS 115 and not disclosed information about its remaining performance obligation.

### vi) Reconciliation between revenue recognised in Statement of Profit and Loss and contract price

There is no significant variation between revenue recognised in Statement of Profit and Loss and contract price except price variation claims, which are considered to be part of contract price.

### vii) Information about geographic segments

Information regarding segment wise disaggregation of revenue has been included in segment note (Refer note 34).

## 22 Other Income

### Accounting policy

#### (i) Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss.

#### (ii) Dividend

Dividend is recognised when the Group's right to receive the payment is established.

#### (iii) Rental income

Rental income from operating leases (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income from financial assets at amortised cost		
Bank and other deposits	67.58	87.16
Other interest income**	26.24	4.05
Liabilities no longer required written back	12.25	16.07
Fair value gain on financial instruments at fair value through Profit and Loss (net)	117.90	83.07
Miscellaneous income^^	28.25	42.22
<b>Total</b>	<b>252.22</b>	<b>232.57</b>

^^Includes rent income of Rs. 0.85 (March 31, 2024: Rs. 0.92) refer note 31(i)(b).

\*\*Includes interest accretion on government grant of Rs. 2.89 (March 31, 2024: Rs Nil)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 23 Cost of Raw Material and Components Consumed

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year	425.52	452.56
Add: Addition on account of business Combination (Refer note 45)	20.05	-
Add: Purchases	5,538.32	5,064.52
	<b>5,983.89</b>	<b>5,517.08</b>
Less: Inventories at the end of the year	(430.22)	(425.52)
<b>Total</b>	<b>5,553.67</b>	<b>5,091.56</b>

### 24 Decrease/(increase) in Inventories of Finished Goods, Work-In-Progress and Traded Goods

	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year		
Work-in-progress	243.45	202.52
Finished goods	75.36	82.37
Traded goods	8.95	7.88
	<b>327.76</b>	<b>292.77</b>
Add: Addition on account of business Combination (Refer note 45)		
Work-in-progress	12.21	-
Finished goods	0.63	-
	<b>12.84</b>	<b>-</b>
Less: inventories at the end of the year		
Work-in-progress	147.71	243.45
Finished goods	104.58	75.36
Traded goods	21.67	8.95
	<b>273.96</b>	<b>327.76</b>
<b>Total</b>	<b>66.64</b>	<b>(34.99)</b>

### 25 Employee Benefit Expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages*	1,130.27	1,027.04
Contribution to provident and other funds	67.09	57.95
Gratuity expenses (Refer note 19)	16.57	12.76
Share based payment expenses (Refer note 40)	5.84	4.88
Staff welfare expenses	64.85	56.30
	<b>1,284.62</b>	<b>1,158.93</b>
Less: capitalised during the year (Refer note 4(f))	(15.68)	(10.64)
<b>Total</b>	<b>1,268.94</b>	<b>1,148.29</b>

\*Salaries and wages includes director sitting fees

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 26 Finance Costs

#### Accounting policy

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### Judgement

Significant management judgement is involved in assessing whether the asset (solar/wind projects/ lease assets) is a qualifying asset using the factors such as period of time to get ready, nature of activities necessary and industry practice. The construction of solar/wind projects/ leased assets involves a period ranging from 6 months to 18 months.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense*	138.53	82.09
Unwinding of discount	12.87	12.26
Finance cost on redemption liability	2.61	1.56
	<b>154.01</b>	<b>95.91</b>
Less: capitalised during the year (Refer note 4(f))	(37.23)	(8.32)
<b>Total</b>	<b>116.78</b>	<b>87.59</b>

\*Includes accretion of interest on lease obligation Rs. 1.39 (March 31, 2024: Rs. 1.00) (refer note 31(iii)).

### 27 Other Expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spare parts	116.18	113.40
Power and fuel	57.16	57.28
Freight and forwarding charges (net of recovery)	215.03	187.32
Site expenses and contract labour charges	1,210.76	1,090.29
Drawing, design and technical service charges	58.09	59.38
Sales commission	36.32	29.25
Advertisement and sales promotion	30.82	24.26
Rent (Refer note 31(ii))	29.71	26.05
Rates and taxes	16.12	17.01
Insurance	20.57	18.85
Repairs and maintenance:		
Plant and machinery	28.07	28.71



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for the year ended March 31, 2025

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

	For the year ended March 31, 2025	For the year ended March 31, 2024
Buildings	12.82	9.01
Others	80.25	65.15
Travelling and conveyance	113.75	110.18
Legal and professional fees	162.98	154.73
Provision for advance (net)	7.35	(1.63)
Provision for impairment allowance of financial assets (net)	80.53	59.11
Warranty expenses (net)	45.06	50.20
Loss on sale/discard of assets (net)	2.63	0.88
Expenditure on Corporate Social Responsibility	11.05	8.15
Miscellaneous expenses (includes printing, communication, security expense, etc.)	69.96	52.24
	<b>2,405.21</b>	<b>2,159.82</b>
Less: capitalised during the year (Refer note 4(f))	(6.74)	(1.60)
<b>Total</b>	<b>2,398.47</b>	<b>2,158.22</b>

### 28 Earnings Per Share (EPS)

#### Accounting policy

The Group presents the basic and diluted EPS data for its equity shares.

- (i) **Basic EPS** is computed by dividing the net profit for the year attributable to the equity shareholders of the Parent by the weighted average number of equity shares outstanding during the year.
- (ii) **Diluted EPS** is computed by adjusting the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares considered for deriving basic EPS for the effects of all the equity shares that could have been issued upon conversion of all dilutive potential equity shares (which includes the various stock options granted to employees).

**The following table reflects the income and earnings per share data used in the basic and diluted EPS computation:**

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax attributable to the equity holders (a)	634.47	645.28
Weighted average number of shares considered for calculating basic EPS (b)	112,639,446	112,620,748
Weighted average number of shares considered for calculating diluted EPS (c)*	112,671,236	112,657,114
Nominal value per share (Rs.)	2.00	2.00
Basic earnings per share (d) = (a)/(b)	56.33	57.30
Diluted earnings per share (e) = (a)/(c)	56.31	57.28

\*Dilution include share options granted under ESOP Scheme.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 29 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve and surplus in equity is shown below:

For the year ended March 31, 2025	Cash flow hedge reserve	Foreign Currency translation reserve	Retained earnings	Total
Foreign currency translation differences	-	10.08	-	<b>10.08</b>
Foreign exchange forward contracts	(5.50)	-	-	<b>(5.50)</b>
Re-measurement gains on defined benefit plans	-	-	(6.91)	<b>(6.91)</b>
<b>Total</b>	<b>(5.50)</b>	<b>10.08</b>	<b>(6.91)</b>	<b>(2.33)</b>

For the year ended March 31, 2024	Cash flow hedge reserve	Foreign Currency translation reserve	Retained earnings	Total
Foreign currency translation differences	-	(4.47)	-	<b>(4.47)</b>
Foreign exchange forward contracts	2.93	-	-	<b>2.93</b>
Reclassified to statement of profit or loss (Net)	(0.68)	-	-	<b>(0.68)</b>
Re-measurement gains on defined benefit plans	-	-	(6.65)	<b>(6.65)</b>
<b>Total</b>	<b>2.25</b>	<b>(4.47)</b>	<b>(6.65)</b>	<b>(8.87)</b>

### 30 Contingent Liabilities and Commitments

#### A Contingent Liabilities

##### Accounting policy

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

##### Judgements

##### Tax and legal contingencies

The Group has received various orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyse current information about these matters and provides provisions for probable losses including the estimate of legal expense to resolve such matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

a) Details of contingent liabilities

During earlier years, the Group had received demand notices from the Excise department covering period from July 2000 till June 2017 for Rs. 1,385.47 (March 31, 2024: Rs. 1,385.47). These demands are of excise duty payable on inclusion of the cost of bought out items in the assessable value of certain products manufactured, though such duty paid bought out items are directly dispatched by the manufacturers thereof to the ultimate customer, without being received in the factories. The Group had filed an appeal against the same before CESTAT, Mumbai which was allowed in favour of the Group during FY 22-23.

During the year, The Commissioner of CGST & CE, Pune – I has filed an appeal before the Hon'ble Supreme Court of India challenging CESTAT order. Based on an independent legal advice, the Group is confident of the issue being ultimately decided in its favour and accordingly, no provision has been considered necessary.

a) Taxes^

	As at March 31, 2025	As at March 31, 2024
Excise, Customs Duty and Service tax	15.36	13.32
Local Body Tax	78.06	-
Goods and Service tax	91.63	17.35
Sales tax#	30.21	31.36
Income tax demands disputed in appellate proceedings#\$**	130.02	129.42
References/appeals preferred by the Income tax department in respect of which, should the ultimate decision be unfavourable to the Group	16.36	16.36
Others	0.25	0.22

^Excluding interest and penalty thereon.

\*\*The above excludes the effects of similar disallowances, if any, for any subsequent period that are pending for assessments.

#Includes Sales tax and Income tax demands disputed in appellate proceedings pertaining to Thermax Senegal S.A.R.L, a subsidiary which is liquidated, of Rs. 9.64 and Rs. 21.20 (March 31, 2024 of Rs. 9.64 and Rs. 21.20) respectively which are still open with the department despite the liquidation of the subsidiary.

^Includes income tax disputed demand, the Holding Company has received favourable ITAT orders in earlier years (similar issues) for Rs. 55.56 (March 31, 2024 Rs. 72.96).

\$During the FY 2022-23, the Group received an income tax order for AY 2021-22 adding back income Rs 200.10 (March 31, 2024: Rs. 200.10) for Goods and Services Tax ("GST") collected on sales. The Group has filed an appeal with CIT(appeals) and stay of demand against the said order. Based on the favorable order in case of similar matter, the Group's management believes that the Group has good case and hence the case is not considered in contingent liability.

#During the year, Group has received income tax order for AY 2023-24 for disallowing brought forward losses of Rs. 51.46. The assessing officer has raised demand of Rs.14.26 on brought forward losses disallowed. The Group has filed an stay of demand against the said order. The Group's management believes that the probability of any outflow in respect of this order is remote and hence not considered in contingent liability.

c) Guarantees

The Group has issued various guarantees for performance, deposits, tender money, advances etc. The Group has also issued various indemnity bonds, letter of support, corporate guarantees, etc. for working capital requirements purposes to banks for subsidiaries. The management has considered the probability for outflow of the same to be remote and accordingly no amount has been disclosed here.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

d) Others^

	As at March 31, 2025	As at March 31, 2024
Liability for export obligations	2.66	5.06
Claims against the Group not acknowledged as debt*#	180.45	193.58

The timing and amount of the cash flow which will arise from these matters, will be determined by the relevant authorities on settlement of the cases or on receipt of claims from customers.

^Excluding of interest and penalty thereon.

\*Includes a case against the Holding Company in dispute with customer amounting to Rs. 167.82 (March 31, 2024 : Rs. 167.82) whereby in June 2023, an arbitrator ruled against the Holding Company in a dispute with a customer who had been supplied Gas Turbo Generators (GTGs) procured from a third party as part of a composite contract. The GTGs had failed and the arbitrator ruled that Holding Company must repair and restore them and bear other related costs, estimated in aggregate as Rs. 218.45 (March 31, 2024: Rs. 218.45) including interest. The award has been appealed by the Holding Company in the Bombay High Court. A stay has been granted, for which Holding Company has deposited with the customer Rs. 218.45 (March 31, 2024: Rs. 218.45). The deposit is refundable, with interest, depending on the outcome of the case. The final hearings challenging the award is in progress before the Bombay High Court.

Pursuant to an independent legal opinion, the Holding Company had made a provision of Rs. 50.63 (March 31, 2024: Rs. 50.63) and for the balance amount, (which is included in the above sum) no provision had been considered necessary. The Holding Company is reasonably confident of the issue being ultimately decided in its favour.

# Includes a dispute arose between the Group and its subcontractor, for alleged non-payment of an amount of Rs. 3.67 (March 31, 2024 :Rs. 3.67). Whereby in August 2023, the MSMEFC Cuttack, Odisha (council) passed an order against the Group ordering to pay to the subcontractor an amount of Rs. 3.45 (March 31, 2024 :Rs. 3.45) (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 Group 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 listed for next hearing on May 12, 2025 and the Group 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 20, 2025.

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

e) There are certain law suits, disputes, warranty claims, etc., including commercial matters that arise from time to time in the ordinary course of business, the amounts involved in such matters are currently not quantifiable. However, based on managements assessment under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" , the claims are not tenable/probability of final outcome against the Group is remote and therefore are not disclosed as contingent liabilities.

B Capital and Other Commitments

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 150.64 (March 31, 2024: Rs. 659.52).
- b) Estimated amount of contracts remaining to be executed for assets which are to be leased to customers and are currently under commissioning (net of advances) and not provided for is Rs. 11.10 (March 31, 2024: Rs. 20.47).
- c) Estimated amounts of contract remaining to be executed as part of Other commitments is Rs. 21.62 (March 31, 2024: Rs. Nil)
- d) For lease commitments, refer note 31.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 31 Leasing Arrangements

#### Accounting policy

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Judgements

The Group has entered into certain arrangements with its customers where the Group will supply heat/steam by installing the boiler/heater at the customers' premises. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that fulfillment of these arrangement is dependent on the use of specific assets and the arrangement conveys to customers a right to use these specific assets. Accordingly, the Group has determined that these arrangements qualify as arrangements in the form of lease as per Ind AS 116 "Lease". The Group has also determined, based on evaluation of terms and conditions of these arrangements, such as the contract term constituting a major part of the economic life of the specific assets and the fair value of the asset, that it has transferred the significant risks and rewards in these assets to the customers and therefore these embedded lease arrangements have been classified as finance leases. The separation of lease and non-lease elements in these arrangements have been made at relative fair value of these elements, requiring Management judgement.

#### Segregation of lease and non-lease components of the consideration

The Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis by determining the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. Since the consideration is inclusive of the lease component, the stand-alone selling price is not directly observable. Hence, the Group estimates the standalone selling price by considering all the information (including market conditions, entity-specific factors and information about the customer or class of customer) that is reasonably available to the Group.

#### i) WHERE THE GROUP IS LESSOR:

##### Accounting policy

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

##### a) Amounts receivable under Finance lease -

The Group has entered into certain arrangements with its customers where the Group will supply heat/steam/ treated water by installing boiler/heater/water treatment plants at their customers' premises. The Group has determined, that fulfilment of these arrangements is dependent on the use of a specific asset and the arrangement conveys a right to use these specific asset to the customers. Accordingly, these arrangements qualify as arrangements in the form of lease as specified in Ind-AS 116. Based on the evaluation of terms and conditions of these arrangements, such as the contract term constituting a major part of the economic life of the specific assets, the fair value of the asset and that it has transferred the significant risks and rewards in these assets to the customers , these lease arrangements have been classified as finance leases.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

	Gross investment in lease		Present value of minimum lease payments	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Within one year	70.48	45.07	37.41	22.80
Between 1 and 2 years	66.44	41.75	33.43	22.20
Between 2 and 3 years	61.95	39.36	33.41	22.36
Between 3 and 4 years	56.38	36.65	32.40	22.37
Between 4 and 5 years	47.84	32.27	28.23	20.77
More than five years	146.17	94.94	101.49	69.28
	<b>449.26</b>	<b>290.04</b>	<b>266.37</b>	<b>179.78</b>
Less: Unearned finance income	182.89	110.26	-	-
Present value of minimum lease payments receivable	266.37	179.78	266.37	179.78
Allowance for uncollectible lease payments	-	-	-	-
<b>Total</b>	<b>266.37</b>	<b>179.78</b>	<b>266.37</b>	<b>179.78</b>

	For the year ended March 31, 2025	For the year ended March 31, 2024
Current portion of finance lease receivables*	37.41	22.80
Non-current portion of finance lease receivables*	228.96	156.98

\*Lease receivables amounting to Rs. 197.13 (March 31, 2024: Rs. 125.48) have been hypothecated against borrowings.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest rate inherent in the lease per annum	9.13%-28.19%	10.82% - 28.19%

#### b) Operating lease

The Group has leased certain parts of its surplus office buildings and equipment. The tenure of such lease agreements ranges from 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Lease rental received for the year	0.85	0.92

#### ii) WHERE THE GROUP IS LESSEE:

##### Accounting policy

The Group lease asset classes primarily consist of leases for land, office buildings, guest house and other office equipment. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (1) The contract involves the use of an identified asset;
- (2) The Group has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (3) The Group has the right to direct the use of the asset.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

At the date of commencement of the lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at present value of the future lease payments. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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

For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group has taken office buildings, factory sheds, guest house, warehouse, vehicles, printers and other office equipments on lease for a tenure of 1 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are no variable lease payments and residual value guarantees for these leases. The leases are renewable on mutually agreeable terms. At the expiry of the lease term, either party has an option to terminate the agreement or extend the term by giving notice in writing.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

### Carrying amounts of lease liabilities and the movements during the period ended as follows:

	As at March 31, 2025	As at March 31, 2024
Lease liabilities at the beginning of the year	21.48	19.99
Additions (for new lease during the year)	5.25	13.21
Addition on account of business combination (Refer note 45)	1.73	-
Discontinuation of lease	-	(3.02)
Accretion of interest	1.39	1.00
Exchange differences	0.55	0.45
Payments made	(6.08)	(10.15)
<b>Lease liabilities at the end of the year</b>	<b>24.32</b>	<b>21.48</b>
Current portion of lease liabilities	5.49	5.07
Non-current portion of lease liabilities	18.83	16.41
<b>Total</b>	<b>24.32</b>	<b>21.48</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### Details of amounts recognised in statement of Profit and Loss

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use assets	8.09	6.51
Interest expense on lease liabilities	1.39	1.00
Expense relating to short-term leases (included in other expenses and staff welfare expenses)	29.71	24.29
Expense relating to leases of low-value assets (included in other expenses)	-	1.76
<b>Total amount recognised in Consolidated Statement of Profit and Loss</b>	<b>39.19</b>	<b>33.56</b>

#Refer note 37(a) III for maturities of finance lease liabilities.

## 32 Interests in other Entities

Group information

### A SUBSIDIARIES

The consolidated financial statements of the Group includes subsidiaries listed in the table below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2025	As at March 31, 2024	
1	Thermax Onsite Energy Solutions Limited	India	100%	100%	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
2	Thermax Instrumentation Limited	India	100%	100%	Supply and erection commissioning of Air cooled condenser (ACC), Rotary air Pre-Heater (RAPH), electrostatic precipitator (ESP), Bag Houses. Civil, Erection & Commissioning and Operation and Maintenance of power plants.
3	Thermax Engineering Construction Company Limited	India	100%	100%	Installation of industrial machinery and equipment.
4	Thermax Sustainable Energy Solutions Limited <sup>*****</sup>	India	NA	100%	Carbon advisory services.
5	Thermax International Limited	Mauritius	100%	100%	Investment Company.
6	Thermax Europe Limited	United Kingdom	100%	100%	Sale and service of vapour absorption chillers.
7	Thermax Inc.	USA	100%	100%	Sale and service of vapour absorption chillers and sale of chemicals.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2025	As at March 31, 2024	
8	Thermax do Brasil Energia e Equipamentos Ltda	Brazil	100%	100%	Rendering services including technical assistance.
9	Thermax Netherlands BV.	Netherlands	100%	100%	Investment Company.
10	Thermax Denmark ApS	Denmark	100%	100%	Investment Company.
11	Danstoker A/S	Denmark	100%	100%	Produces and sells boilers to the energy market.
12	Ejendomsanp artsselskabet Industrivej Nord 13	Denmark	100%	100%	Own and lease out property within Group.
13	Boilerworks A/S	Denmark	100%	100%	Produces and supplies high-pressure boilers and components.
14	Thermax Senegal S.A.R.L ^^^^	Senegal	NA	NA	Plant management services.
15	Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	Poland	100%	100%	Produces and supplies high-pressure boilers and components.
16	Rifox-Hans Richter GmbH Spezialarmaturen	Germany	100%	100%	Manufacturing steam trap systems.
17	Thermax Sdn.Bhd	Malaysia	100%	100%	Turnkey solutions provider.
18	Thermax Engineering Singapore Pte. Ltd.	Singapore	100%	100%	Investment Company
19	PT Thermax International Indonesia	Indonesia	100%	100%	Manufacturing of industrial products.
20	First Energy Private Limited	India	100%	100%	Power generation from renewable energy and Engineering, Procurement and Construction (“EPC”) of solar power plants and other ancillary activities.
21	Thermax Energy & Environment Philippines Corporation	Philippines	100%	100%	Marketing and sales of component parts of boilers.
22	Thermax Energy & Environment Lanka (Private) Limited	Sri Lanka	100%	100%	Supply of steam and heat on build, own and operate basis; Marketing and sales of component parts of boilers.
23	Thermax Nigeria Limited	Nigeria	100%	100%	Operation and maintenance of power plants.
24	Thermax Babcock & Wilcox Energy Solutions Limited	India	100%	100%	Manufacture of steam or other vapour generating boilers and hot water boilers other than central heating boilers.
25	Thermax Cooling Solutions Limited	India	100%	100%	Business of setting up Energy Projects, Energy Exchange Platform and providing Energy Services. The Company’s remaining business includes electrostatic precipitators (ESP), Regenerative Air Preheaters and related services.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2025	As at March 31, 2024	
26	Thermax Engineering Construction FZE	Nigeria	100%	100%	Operation and maintenance of power plants.
27	Thermax International Tanzania Limited	Tanzania	100%	100%	Supervision for project business, operation and maintenance services and sales related support.
28	Thermax (Thailand) Limited	Thailand	100%	100%	Marketing and sales support office, engineering and technical services.
29	ESOP Trust and Employee Welfare Trusts**	India	100%	100%	Employee welfare.
30	Enernxt Private Limited	India	100%	100%	Supply of biogas on build, own, operate and transfer basis.
31	Thermax BioEnergy Solutions Private Limited	India	65%	65%	Setting up of BioCNG plants on turnkey basis.
32	First Energy TN 1 Private Limited*	India	100%	100%	Supply of solar power on build, own and operate basis.
33	First Energy 2 Private Limited*	India	100%	100%	Supply of solar power on build, own and operate basis.
34	First Energy 3 Private Limited*	India	100%	100%	Supply of solar power on build, own and operate basis.
35	First Energy 4 Private Limited*	India	100%	100%	Supply of solar power on build, own and operate basis.
36	First Energy 5 Private Limited*	India	100%	100%	Supply of solar power on build, own and operate basis.
37	First Energy 6 Private Limited*	India	100%	100%	Supply of solar power on build, own and operate basis.
38	First Energy 7 Private Limited#	India	100%	100%	Supply of solar power on build, own and operate basis.
39	Jalansar Wind Energy Private Limited*	India	100%	100%	Supply of solar power on build, own and operate basis.
40	Kanakal Wind Energy Private Limited*	India	100%	100%	Supply of solar power on build, own and operate basis.
41	First Energy 8 Private Limited (incorporated on August 10, 2023)	India	100%	100%	Supply of solar power on build, own and operate basis.
42	First Energy Nine Private Limited (incorporated on February 1, 2024)	India	100%	100%	Supply of solar power on build, own and operate basis.
43	First Energy 10 Private Limited (incorporated on March 23, 2024)	India	100%	100%	Supply of solar power on build, own and operate basis.
44	Thermax Chemical Solutions Private Limited (incorporated on May 28, 2024)	India	100%	-	Investment Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2025	As at March 31, 2024	
45	Thermax Vebro Polymers India Private Limited (incorporated on July 18, 2024)	India	50.1%	-	Flooring chemical business.
46	Buildtech Products India Private Limited (acquired on December 17, 2024)	India	100%	-	Business of dealing in all kinds of constructions chemicals, related products and other such chemicals used in infrastructure projects.
47	Thermax Chemical Europe A/S (incorporated on December 6, 2024)	Denmark	100%	-	Trading of Chemical products manufactured by Thermax, in European region.
48	TSA Process Equipments Private Limited (acquired on April 19, 2024)	India	51%	-	Upstream and downstream suites of Process Vessels, CIP/ SIP Systems, microbial fermenters, animal cell culture bioreactors, interconnecting piping and utilities and bio kill systems. High Purity range includes clean utility systems for purified water, WFI (Water for injection) and pure steam generation and distribution systems.
49	First Energy 11 Private Limited (incorporated in India July 29, 2024)	India	100%	-	Supply of solar power on build, own and operate basis.

**\*\*The Group has ESOP trust and Employee Welfare Trusts for the welfare of the employees. Pursuant to the arrangement between the Trusts and the Holding Company, the Holding Company has determined that it has power to direct the relevant activities of the trust while being exposed to variable returns from its involvement with these entities. As a result, these entities have been consolidated in these financial statements.**

**^^^The subsidiaries are under liquidation process/are liquidated.**

**\*Includes 26% shares held by non-controlling shareholders for which Non-controlling interests have not been recognised as the Group has assessed that there is no risk reward relationship attributable to them.**

**#Includes 29% shares held by non-controlling shareholders for which Non-controlling interests have not been recognised as the Group has assessed that there is no risk reward relationship attributable to them.**

### B PARENT ENTITY

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Type
			As at March 31, 2025	As at March 31, 2024	
1	RDA Holdings Private Limited**	India	53.99%	53.99%	Ultimate Holding company

**\*\*The above percentage of shareholding is before elimination of Trust's holding.**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### C ASSOCIATES

Sr No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the Group		Principal activities
			As at March 31, 2025	As at March 31, 2024	
1	ExactSpace Technologies Private Limited (date of investment- January 25, 2022)	India	15.17%	15.17%	Business of developing artificial intelligence solutions for the energy industry
2	Covaccsis Technologies Private Limited (date of investment- July 22, 2022)*	India	16.67%	16.67%	Developing digital enabled service solutions for the energy industry

The investments listed above has been accounted by equity method.

**\*During the year ended March 31, 2025, the Company executed a Share Purchase Agreement on March 26, 2025 with Infinite Uptime Inc., USA for the sale of the Company's entire investment in Covaccsis. As a result, the investment has been reclassified and presented under 'Assets Held for Sale', in accordance with the requirements of Ind AS 105 "Non-current Assets Held for Sale". Accordingly, the Company has discontinued the application of the equity method from the date of the agreement, and the investment has been measured at the lower of its carrying amount and fair value less costs to sell as at the reporting date.**



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 33 Related Party Disclosures

**A** For details of Holding company and Associates, refer note 5, 32 and 35.

**B Individuals having significant influence over the Group by reason of voting power, and their relatives:**

- 1 Mrs. Meher Pudumjee - Chairperson
- 2 Mr. Pheroze Pudumjee - Director
- 3 Mrs. Anu Aga - Relative of Chairperson/Director
- 4 Mr. Zahaan Pudumjee - Relative of Chairperson/Director
- 5 Ms. Lea Pudumjee - Relative of Director/Chairperson

**C Key Management Personnel:**

- 1 Mr. Ashish Bhandari - Managing Director and Chief Executive Officer
- 2 Dr. Jairam Varadaraj - Independent Director (ceased w.e.f. July 21, 2024)
- 3 Mr. Nawshir Mirza - Independent Director (ceased w.e.f. July 21, 2024)
- 4 Mr. Harsh Mariwala - Independent Director
- 5 Mr. Sashishekhar Balakrishna (Ravi) Pandit - Independent Director
- 6 Mrs. Rajani Kesari - Independent Director
- 7 Mr. Rajendran Arunachalam - Chief Financial Officer
- 8 Ms. Janhavi Khele - Company Secretary (Resigned w.e.f. April 18, 2025)
- 9 Mr. Ravi Shankar Gopinath - Independent Director
- 10 Mr. Shyamak Tata - Independent Director (w.e.f. October 17, 2023)
- 11 Mr. Parag Shah - Independent Director (w.e.f. December 12, 2024)

**D Enterprises with whom transactions have taken place during the year, over which control is exercised by individuals listed in 'B' and 'C' above:**

- 1 Thermax Foundation, India
- 2 Marico Limited, India
- 3 Elgi Equipments Limited, India (ceased w.e.f. July 21, 2024)

**E Enterprises Individuals with whom transactions have taken place during the year, other than listed in 'B', 'C' and 'D' above:**

- 1 EverEnviro Resource Management Private Limited
- 2 Vebro Polymers Holdings Limited, UK
- 3 Mr. Rajiv Upendra Parikh
- 4 Mr. Apurva Amarnath Shah

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### F Transactions with related parties:

**a. Transactions during the year:**

Particulars	Associates		Enterprises over which control is exercised by Individuals having significant influence over the company and Key Management Personnel		Enterprises/ Individuals with whom transactions have taken place during the year, other than listed in 'B', 'C' and 'D' above		Key Management Personnel and Individuals having significant influence over the company mentioned in B and C		Total	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Sales of products and services	-	-	6.65	5.28	52.07	94.36	-	-	58.72	99.64
Purchase of raw material and components	-	-	0.88	0.89	-	-	-	-	0.88	0.89
Other expenses	2.71	3.35	-	-	0.30	-	-	-	3.01	3.35
Recovery of expenses	-	-	-	-	0.15	-	-	-	0.15	-
Remuneration to key management personnel*	-	-	-	-	-	-	11.06	9.48	11.06	9.48
Share-based payments to Key Management Personnel	-	-	-	-	-	-	4.74	-	4.74	-
Remuneration to individuals having significant influence over the Group by reason of voting power, and their relatives	-	-	-	-	-	-	0.64	-	0.64	-
Purchase of property, plant and equipment and intangible assets	-	-	-	-	9.50	-	-	-	9.50	-
CSR expenditure	-	-	11.05	8.15	-	-	-	-	11.05	8.15
Issue for equity shares	-	-	-	-	15.08	-	-	-	15.08	-
Director's sitting fees^	-	-	-	-	-	-	1.02	1.19	1.02	1.19
Commission paid	-	-	-	-	-	-	7.77	6.90	7.77	6.90
Rent paid	-	-	-	-	0.12	-	0.62	0.60	0.74	0.60

\*Does not include gratuity and leave encashment since the same is calculated for all employees of the Group as a whole.

Dividend paid to RDA Holdings Pvt. Ltd., India is Rs. 77.20 (March 31, 2024: Rs. 64.33).

^Includes sitting fees paid to director's of holding companies.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### b. Balances as at the year end:

Particulars	Associates		Enterprises over which control is exercised by Individuals having significant influence over the company and Key Management Personnel		Enterprises/ Individuals with whom transactions have taken place during the year, other than listed in 'B', 'C' and 'D' above		Key Management Personnel and Individuals having significant influence over the company mentioned in B and C		Total	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Trade receivables^	-	-	0.50	0.64	45.63	26.51	-	-	46.13	27.15
Advances received	-	-	0.03	-	2.00	2.28	-	-	2.03	2.28
Trade deposit	-	-	0.75	0.75	-	-	-	-	0.75	0.75
Security deposit	-	-	-	-	-	-	0.53	0.18	0.53	0.18
Trade payables and other liabilities	-	-	-	0.75	0.45	-	-	-	0.45	0.75
Bank Guarantee issued	-	-	0.75	0.75	-	-	-	-	0.75	0.75
Commission Payable	-	-	-	-	-	-	2.57	1.90	2.57	1.90
Rent Payable	-	-	-	-	0.01	-	-	-	0.01	-

^ Before impairment provision Rs. 3.93 (March 31, 2024: Rs. 0.10)

### G Related party transactions include transactions pertaining to the following parties with whom the percentage of the transactions are 10 % or more of the total of the above:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
<b>Transactions during the year</b>				
<b>Sale of product and services</b>				
EverEnviro Resource Management Private Limited	52.07		94.36	
<b>Sub-total- individually significant parties</b>		52.07		94.36
Others		6.65		5.28
<b>Total</b>		<b>58.72</b>		<b>99.64</b>
<b>Purchase of raw material and components</b>				
Elgi Equipments Limited	0.52		0.89	
Marico Limited	0.36		-	
<b>Total</b>		<b>0.88</b>		<b>0.89</b>
<b>Other expenses</b>				
Exactspace Technologies Private Limited		2.67		2.96
Vebro Polymers Holdings Limited, UK		0.30		-
Covacsis Technologies Private Limited		0.04		0.40

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
<b>Total</b>		<b>3.01</b>		<b>3.35</b>
<b>Recovery of expenses</b>				
Vebro Polymers Holdings Limited, UK	0.15		-	
<b>Total</b>		<b>0.15</b>		<b>-</b>
<b>Purchase of property, plant and equipment and intangible assets</b>				
Vebro Polymers Holdings Limited, UK	9.50		-	
<b>Total</b>		<b>9.50</b>		<b>-</b>
<b>Issue for equity shares</b>				
EverEnviro Resource Management Private Limited (By Thermax BioEnergy Solutions Private Limited)	7.00			
Vebro Polymers Holdings Limited, UK (By Thermax Vebro Polymers India Private Limited)	8.08		-	
<b>Total</b>		<b>15.08</b>		<b>-</b>
<b>Remuneration to individuals having significant influence over the Group by reason of voting power, and their relatives</b>				
Mr. Zahaan Pudumjee	0.46		-	
Ms. Lea Pudumjee	0.18		-	
<b>Total</b>		<b>0.64</b>		<b>-</b>
<b>Remuneration to key management personnel excluding commission and share-based payment</b>				
Mr. Ashish Bhandari	7.64		6.70	
Mr. Rajendran Arunachalam	2.85		2.30	
Ms. Janhavi Khele	0.57		0.49	
<b>Total</b>		<b>11.06</b>		<b>9.48</b>
<b>Share-based payments to Key Management Personnel</b>				
Mr. Ashish Bhandari	4.45		-	
Mr. Rajendran Arunachalam	0.29		-	
<b>Total</b>		<b>4.74</b>		<b>-</b>
<b>CSR expenditure</b>				
Thermax Foundation, India	11.05		8.15	
<b>Total</b>		<b>11.05</b>		<b>8.15</b>
<b>Directors sitting fees</b>				
Mrs. Meher Pudumjee	0.11		0.10	
Mr. Pheroze Pudumjee	0.14		0.13	
Dr. Jairam Varadaraj	0.04		0.11	
Mr. Nawshir Mirza	0.05		0.16	
Mr. Ravi Pandit	0.11		0.09	
Mr. Shyamak Tata	0.18		0.05	



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
Mrs. Rajani Kesari	0.17		0.16	
Mr. Harsh Mariwala	0.08		0.06	
Mr. Ravi Shankar Gopinath	0.10		0.31	
Mr. Parag Shah	0.04		-	
<b>Total</b>		<b>1.02</b>		<b>1.19</b>
<b>Commission paid</b>				
Mrs. Meher Pudumjee	0.53		0.46	
Mr. Pheroze Pudumjee	0.25		0.18	
Dr. Jairam Varadaraj	-		0.18	
Mr. Nawshir Mirza	0.03		0.45	
Mr. Harsh Mariwala	0.30		0.23	
Mr. Ravi Pandit	0.30		0.18	
Mrs. Rajani Kesari	0.33		0.22	
Mr. Ashish Bhandari	5.20		5.00	
Mr. Shyamak Tata	0.45		-	
Mr. Parag Shah	0.08		-	
Mr. Ravi Shankar Gopinath	0.30		-	
<b>Total</b>		<b>7.77</b>		<b>6.90</b>
<b>Rent paid</b>				
Mrs. Anu Aga	0.62		0.60	
Mr. Rajiv Upendra Parikh	0.06		-	
Mr. Apurva Amarnath Shah	0.06		-	
<b>Total</b>		<b>0.74</b>		<b>0.60</b>
<b>Trade receivables</b>				
EverEnviro Resource Management Pvt Ltd	45.63		26.51	
<b>Sub-total- individually significant parties</b>		<b>45.63</b>		<b>26.51</b>
Other		0.50		0.64
<b>Total</b>		<b>46.13</b>		<b>27.15</b>
<b>Trade payables and other liabilities</b>				
Vebro Polymers Holdings Limited, UK	0.45		-	
Marico Limited	-		0.75	
<b>Total</b>		<b>0.45</b>		<b>0.75</b>
<b>Advances received</b>				
EverEnviro Resource Management Private Limited	2.00		2.28	
<b>Sub-total- individually significant parties</b>		<b>2.00</b>		<b>2.28</b>
Others		0.03		-
<b>Total</b>		<b>2.03</b>		<b>2.28</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Amount for individually significant parties	Total	Amount for individually significant parties	Total
<b>Security deposits placed</b>				
Mrs. Anu Aga	0.53		0.18	
<b>Total</b>		<b>0.53</b>		<b>0.18</b>
<b>Bank Guarantee issued</b>				
Marico Limited	0.75		0.75	
<b>Total</b>		<b>0.75</b>		<b>0.75</b>
<b>Rent Payable</b>				
Mr. Rajiv Upendra Parikh	0.01		-	
<b>Total</b>		<b>0.01</b>		<b>-</b>
<b>Commission Payable</b>				
Mrs. Meher Pudumjee	0.53		0.46	
Mr. Pheroze Pudumjee	0.25		0.18	
Dr. Jairam Varadaraj	-		0.18	
Mr. Nawshir Mirza	0.03		0.45	
Mr. Harsh Mariwala	0.30		0.23	
Mr. Ravi Pandit	0.30		0.18	
Mrs. Rajani Kesari	0.33		0.22	
Mr. Shyamak Tata	0.45		-	
Mr. Parag Shah	0.08		-	
Mr. Ravi Shankar Gopinath	0.30		-	
<b>Total</b>		<b>2.57</b>		<b>1.90</b>
<b>Trade Deposit</b>				
Marico Limited	0.75		0.75	
<b>Total</b>		<b>0.75</b>		<b>0.75</b>

### H Terms and conditions of related party transactions:

The sales to and purchases from related parties are assessed to be at arm's length by the management. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

For the year ended March 31, 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2024 Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

All outstanding balances are unsecured and repayable in cash.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 34 Segment Reporting

#### Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company has identified the Managing Director and Chief Executive Officer as the chief operating decision maker of the Group.

#### Judgements

Ind AS 108 - “Operating Segments” requires Management to determine the reportable segments for the purpose of disclosure in consolidated financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources. The Standard also requires Management to make judgements with respect to aggregation of certain operating segments into one or more reportable segment.

Operating segments used to present segment information are identified based on the internal reports used and reviewed by the Managing Director and Chief Executive Officer to assess performance and allocate resources. The management has determined that some of the segments exhibit similar economic characteristics and meet other aggregation criteria and accordingly aggregated into four reportable segments i.e., industrial products, industrial infra, green solutions and chemicals.

The Group's portfolio includes Boilers & Heating equipment (small capacity), Absorption Chillers/Heat Pumps, Air Pollution Control Equipment/Systems, Water & Waste Recycle. Including associated services and engineering, procurement and construction (EPC), EPC of Power Plants, Boiler & Heater (high capacity) plants, Infra projects, Bio CNG projects, Flue Gas Desulphurisation projects, Build, Own and Operate (BOO) model, Energy management solutions, Green Hydrogen projects and Renewable Energy (Solar/Wind), Ion Exchange Resins, Performance Chemicals, Construction Chemicals, Water Treatment Chemicals, Oil Field Chemicals, Paper Chemicals and Construction Chemicals and related services. Management has determined the operating segments based on the reports reviewed by the CEO and Managing Director (CMD); that are used to make strategic decisions, allocation of resources and assessing the performance of the segments. The CMD of the Holding Company evaluates the segments based on their revenue and operating results.

The CODM evaluates performance based on the revenues and operating profit for four segments - Industrial Products, Industrial Infra, Green Solutions and Chemicals.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis. Inter-segment transfer price is calculated as cost plus reasonable mark-up.

#### I Information about Business Segments:

Sr. No.	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>i</b>	<b>Segment Revenue</b>		
	a. Industrial Products	4,528.99	4,055.21
	b. Industrial Infra	4,714.56	4,455.21
	c. Green Solutions	689.88	507.06
	d. Chemicals	762.83	663.35
	<b>Total</b>	<b>10,696.26</b>	<b>9,680.83</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Sr. No.	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	Less: Inter segment revenue	(307.57)	(357.37)
	<b>Revenue from operations</b>	<b>10,388.69</b>	<b>9,323.46</b>
<b>ii</b>	<b>Depreciation, impairment and amortisation</b>		
	a. Industrial Products	45.51	46.86
	b. Industrial Infra	20.42	30.05
	c. Green Solutions	42.05	25.01
	d. Chemicals	27.70	23.34
	e. Unallocated	22.83	22.82
		<b>158.51</b>	<b>148.08</b>
<b>iii</b>	<b>Segment Results</b>		
	Profit/(loss) before tax and interest from each segment#		
	a. Industrial Products	529.03	397.01
	b. Industrial Infra	110.08	208.91
	c. Green Solutions	(0.86)	(7.17)
	d. Chemicals	122.26	123.78
	<b>Total</b>	<b>760.51</b>	<b>722.53</b>
	Less: i) Interest (excludes Green Solutions Segment)	38.50	35.48
	ii) Other unallocable expenditure net of unallocable (income)	(162.70)	(107.24)
	iii) Share of loss on associates (Refer note 5)	0.24	0.82
	iv) Exceptional items (relating to Industrial Infra segment)	-	50.63
	v) Exceptional items (Unallocable)	-	(126.12)
	<b>Total profit before tax</b>	<b>884.47</b>	<b>868.96</b>

#In line with CODM (Chief Operating Decision Maker) review, the segment result of Green Solution is after considering allocable interest cost. Accordingly, the segment data for the comparative periods/year is restated.

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
<b>iv</b>	<b>Segment Assets</b>		
	a. Industrial Products	2,433.07	2,069.08
	b. Industrial Infra	2,994.72	2,711.67
	c. Green Solutions	2,319.82	1,690.12
	d. Chemicals	896.31	592.47
	<b>Total Segment Assets</b>	<b>8,643.92</b>	<b>7,063.34</b>
	Unallocated	3,636.98	3,270.52
	Less: Inter segment assets	(242.88)	(180.85)
	<b>Total Assets</b>	<b>12,038.02</b>	<b>10,153.01</b>
<b>v</b>	<b>Segment Liabilities</b>		
	a. Industrial Products	2,263.51	2,230.37
	b. Industrial Infra	2,862.14	2,324.40
	c. Green Solutions	1,792.31	1,048.42
	d. Chemicals	123.74	76.62
	<b>Total</b>	<b>7,041.70</b>	<b>5,679.81</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
	Unallocated	296.62	214.25
	Less: Inter segment liabilities	(242.88)	(180.85)
	<b>Total Segment Liabilities</b>	<b>7,095.44</b>	<b>5,713.21</b>

### Reconciliations to amounts consolidated in financial statements

Reconciliation of profit	For the year ended March 31, 2025	For the year ended March 31, 2024
Segment profit	760.51	722.53
Other income	252.22	232.57
Share of loss on associates	(0.24)	(0.82)
Finance cost**	(38.50)	(35.48)
Exceptional items gain	-	75.49
Other corporate costs*	(89.52)	(125.33)
<b>Profit before tax</b>	<b>884.47</b>	<b>868.96</b>

\*Mainly includes unallocable employee cost, legal and professional expenses, depreciation on unallocable assets, etc.

\*\*Excludes allocated finance cost to Green Solutions segment Rs.78.30 (March31, 2024 Rs. 52.11)

Reconciliation of assets	As at March 31, 2025	As at March 31, 2024
Segment operating assets (net of intersegment elimination)	8,401.04	6,882.49
Investments	1,703.79	1,765.09
Cash and bank balances	1,148.15	975.32
Bank deposits with remaining maturity more than twelve months	248.65	51.91
Balances with government authorities	122.99	86.74
Income tax assets	145.88	209.55
Other unallocated assets (includes deferred tax, etc.)	267.52	181.91
<b>Total assets</b>	<b>12,038.02</b>	<b>10,153.01</b>

Reconciliation of liabilities	As at March 31, 2025	As at March 31, 2024
Segment operating liabilities (net of intersegment elimination)	6,798.82	5,498.96
General borrowings	16.26	32.03
Income tax liabilities	91.21	41.05
Other unallocated liabilities (includes deferred tax, statutory dues, provision for leave encashment,etc.)	189.15	141.17
<b>Total liabilities</b>	<b>7,095.44</b>	<b>5,713.21</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### II Information about geographic segments:

Revenue from external customers	For the year ended March 31, 2025	For the year ended March 31, 2024
India	8,058.39	7,258.80
Outside India	2,330.30	2,064.66
<b>Total</b>	<b>10,388.69</b>	<b>9,323.46</b>

No individual customer contributed more than 10% of Group's total revenue for the year ended March 31, 2025 and March 31, 2024.

Non-current asset	As at March 31, 2025	As at March 31, 2024
India	3,614.73	2,689.23
Outside India	138.53	134.72
<b>Total</b>	<b>3,753.26</b>	<b>2,823.95</b>

## 35 Non-Controlling Interests

**A** The Group has invested in 65% share of Thermax BioEnergy Solutions Private Limited (TBSPL) India, which is involved in setting up of BioCNG plants from various wastes on turnkey basis. The Group has controlling rights over the decision making process. As a result, the Holding Company holds control in TBSPL and the interest in TBSPL is accounted for using the acquisition method in consolidated financial statements.

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

Summarised balance sheet	As at March 31, 2025	As at March 31, 2024
<b>Current assets</b>		
Cash and cash equivalents	0.73	1.92
Other current assets	181.42	171.91
<b>Total current assets (A)</b>	<b>182.15</b>	<b>173.83</b>
<b>Total non-current assets (B)</b>	<b>6.48</b>	<b>10.87</b>
<b>Non-current liabilities</b>		
Financial liabilities	1.85	0.84
<b>Total non-current liabilities (C)</b>	<b>1.85</b>	<b>0.84</b>
<b>Current liabilities</b>		
Financial liabilities	164.41	82.00
Other current liabilities	109.44	113.10
<b>Total current liabilities (D)</b>	<b>273.85</b>	<b>195.10</b>
<b>Net assets/(liabilities) E = (A+B-C-D)</b>	<b>(87.07)</b>	<b>(11.24)</b>
<b>Accumulated non-controlling interests (35%)</b>	<b>-</b>	<b>-</b>

The information disclosed reflects the amounts presented in the financial statements of the relevant subsidiary and not Holding Company's share of those amounts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Summarised Statement of Profit and Loss	For the year ended March 31, 2025	For the year ended March 31, 2024
Total income	571.51	265.14
Less:		
Cost of raw materials and components consumed	(450.30)	(175.08)
Depreciation and amortisation expenses	(0.90)	(1.04)
Finance costs	(0.82)	(0.56)
Employee benefits expenses	(23.28)	(14.99)
Other expenses	(190.21)	(90.60)
<b>Loss before tax</b>	<b>(94.00)</b>	<b>(17.13)</b>
Tax expenses	(1.35)	(0.11)
<b>Loss for the year</b>	<b>(95.35)</b>	<b>(17.24)</b>
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	(0.15)	(0.17)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>(95.50)</b>	<b>(17.41)</b>
<b>Attributable to non-controlling interests</b>	<b>(7.00)</b>	<b>(2.15)</b>

Summarised cash flow information	As at March 31, 2025	As at March 31, 2024
Operating activities	(32.93)	(4.80)
Investing activities	9.85	(14.09)
Financing activities	19.40	(0.04)
<b>Net decrease in cash and cash equivalents</b>	<b>(3.68)</b>	<b>(18.93)</b>

**B** The Group has invested in 50.1% share of Thermax Vebro Polymers India Private Limited (TVPIPL) (incorporated on July 18, 2024) India, which is involved in Flooring chemical business. The Group has controlling rights over the decision making process. As a result, the Holding Company holds control in TVPIPL and the interest in TVPIPL is accounted for using the acquisition method in consolidated financial statements.

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

Summarised balance sheet	As at March 31, 2025
<b>Current assets</b>	
Cash and cash equivalents	5.26
Other current assets	1.99
<b>Total current assets (A)</b>	<b>7.25</b>
<b>Total non-current assets (B)</b>	<b>9.53</b>
<b>Non-current liabilities</b>	
Other non-current liabilities	0.48
<b>Total Non-current liabilities (C)</b>	<b>0.48</b>
<b>Current liabilities</b>	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

Summarised balance sheet	As at March 31, 2025
Financial liabilities	4.78
Other current liabilities	0.12
<b>Total current liabilities (D)</b>	<b>4.90</b>
<b>Net assets E = (A+B-C-D)</b>	<b>11.40</b>
<b>Accumulated non-controlling interests (49.9%)</b>	<b>5.69</b>

The information disclosed reflects the amounts presented in the financial statements of the relevant subsidiary and not Holding Company’s share of those amounts.

Summarised Statement of Profit and Loss	July 18, 2024 to March 31, 2025
Total income	1.77
Less:	
Cost of raw materials and components consumed	(1.23)
Depreciation and amortisation expenses	(1.13)
Finance costs	(0.03)
Employee benefits expenses	(2.75)
Other expenses	(1.39)
<b>Loss before tax</b>	<b>(4.76)</b>
Tax expenses	-
<b>Loss for the period</b>	<b>(4.76)</b>
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	(0.02)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-
<b>Total comprehensive income for the period</b>	<b>(4.78)</b>
<b>Attributable to non-controlling interests</b>	<b>(2.37)</b>

Summarised cash flow information	As at March 31, 2025
Operating activities	(0.98)
Investing activities	(1.43)
Financing activities	7.73
<b>Net decrease in cash and cash equivalents</b>	<b>5.32</b>

**C** The holding company had entered into a Share Purchase Agreement (“SPA”) and a Shareholders Agreement (“SHA”) to acquire 51% equity shares of TSA subject to certain conditions precedents to the SPA. As a result, the Holding Company holds control in TSA and the interest in TSA is accounted for using the acquisition method in consolidated financial statements. Further, the Company shall acquire remaining 49% of the equity shares over a period of next two years, and accordingly accounted for a redemption liability.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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

Summarised balance sheet	As at March 31, 2025
<b>Current assets</b>	
Cash and cash equivalents	0.40
Other current assets	92.61
<b>Total current assets (A)</b>	<b>93.01</b>
<b>Total non-current assets (B)</b>	<b>15.38</b>
<b>Non-current liabilities</b>	
Financial liabilities	0.98
Other non-current liabilities	1.63
<b>Total Non-current liabilities (C)</b>	<b>2.61</b>
<b>Current liabilities</b>	
Financial liabilities	45.08
Other current liabilities	22.46
<b>Total current liabilities (D)</b>	<b>67.54</b>
<b>Net assets E = (A+B-C-D)</b>	<b>38.24</b>
<b>Accumulated non-controlling interests (49%)</b>	<b>18.74</b>

The information disclosed reflects the amounts presented in the financial statements of the relevant subsidiary and not Holding Company's share of those amounts.

Summarised Statement of Profit and Loss	April 20, 2024 to March 31, 2025
Total income	129.22
Less:	
Cost of raw materials and components consumed	(86.69)
Depreciation and amortisation expenses	(0.88)
Finance costs	(2.26)
Employee benefits expenses	(10.63)
Other expenses	(24.21)
<b>Profit before tax</b>	<b>4.55</b>
Tax expenses	(1.29)
<b>Profit for the period</b>	<b>3.26</b>
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	0.01
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax	-
<b>Total comprehensive income for the period</b>	<b>3.27</b>
<b>Attributable to non-controlling interests</b>	<b>1.60</b>
<b>Transfer to redemption liabilities</b>	<b>(1.60)</b>
<b>Total</b>	<b>-</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

For details on redemption liabilities, refer note 18.

Summarised cash flow information	April 20, 2024 to March 31, 2025
Operating activities	4.36
Investing activities	(4.96)
Financing activities	0.24
<b>Net decrease in cash and cash equivalents</b>	<b>(0.36)</b>

Non- Controlling interest Movement

Particulars	April 20, 2024 to March 31, 2025
<b>Opening balance</b>	<b>-</b>
NCI Portion of Subsidiary	63.83
Add: Share of profit for the period	1.60
Add: Share of Other comprehensive income	-
<b>Adjustment for NCI's carrying value of put option (redemption liability)</b>	<b>65.43</b>

### 36 Fair Value Measurements

#### Estimates and assumptions

##### 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.

#### a) Category of financial instruments and valuation techniques

##### (i) Financial assets

##### Details of financial assets carried at amortised cost

	As at March 31, 2025	As at March 31, 2024
Investments	218.08	465.21
Trade receivables	2,565.35	2,267.06
Loans	5.82	5.42
Finance lease receivables	266.37	179.78
Other assets	1,074.36	615.15
Cash and cash equivalents	417.68	486.58
Bank balances other than cash and cash equivalents (includes fixed deposits with banks)	736.86	488.74
<b>Total</b>	<b>5,284.52</b>	<b>4,507.94</b>
Current assets	4,546.96	3,968.78
Non-current assets	737.56	539.16
<b>Total</b>	<b>5,284.52</b>	<b>4,507.94</b>

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### Details of financial assets carried at fair value through Profit and Loss

	As at March 31, 2025	As at March 31, 2024
Investments	1,470.85	1,280.83
<b>Total</b>	<b>1,470.85</b>	<b>1,280.83</b>
Current assets	1,390.91	1,047.56
Non-current assets	79.94	233.27
<b>Total</b>	<b>1,470.85</b>	<b>1,280.83</b>

The fair values of the quoted shares are based on price quotations at the reporting date and unquoted mutual funds are based on net asset value as at reporting date.

### Details of derivative assets

	As at March 31, 2025	As at March 31, 2024
<b>Derivative instruments</b>		
Cash flow hedges		
Foreign exchange forward contracts	4.99	1.08
Derivative not designated as hedges		
Foreign exchange forward contracts	11.24	1.66
<b>Total</b>	<b>16.23</b>	<b>2.74</b>
Current assets	16.23	2.74
Non-current assets	-	-
<b>Total</b>	<b>16.23</b>	<b>2.74</b>

### (ii) Financial liabilities

#### Details of financial liabilities carried at amortised cost

	As at March 31, 2025	As at March 31, 2024
Borrowings	1,693.34	1,255.95
Trade payables	1,751.00	1,581.04
Employee related payables	140.18	136.68
Other liabilities	214.86	120.54
<b>Total</b>	<b>3,799.38</b>	<b>3,094.21</b>
Current liabilities	2,445.95	2,189.13
Non-current liabilities	1,353.43	905.08
<b>Total</b>	<b>3,799.38</b>	<b>3,094.21</b>

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### Details of derivative liabilities

	As at March 31, 2025	As at March 31, 2024
<b>Derivative instruments</b>		
Cash flow hedges		
Foreign exchange forward contracts	6.52	1.91
Derivative not designated as hedges		
Foreign exchange forward contracts	6.71	2.83
<b>Total</b>	<b>13.23</b>	<b>4.74</b>
Current liabilities	13.23	4.74
Non-current liabilities	-	-
<b>Total</b>	<b>13.23</b>	<b>4.74</b>

The Group enters into derivative financial instruments with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs which captures credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies. The Group has practice to settle all derivative contracts on or before its maturity using the sanctioned finance limits with banks, thereby eliminating both counterparty and the Group's own non-performance risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

### b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Date of valuation	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Equity instruments	March 31, 2025	-	-	-	-
Mutual funds	March 31, 2025	1,470.85	-	-	1,470.85
Corporate deposits/ Corporate bonds	March 31, 2025	-	218.08	-	218.08
Derivative financial assets	March 31, 2025	-	16.23	-	16.23
<b>Financial liabilities</b>					
Derivative financial liabilities	March 31, 2025	-	13.23	-	13.23

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2024:

	Date of valuation	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Equity instruments	March 31, 2024	-	-	-	-
Mutual funds	March 31, 2024	1,280.83	-	-	1,280.83
Corporate deposits/ Corporate bonds	March 31, 2024	-	465.21	-	465.21
Derivative financial assets	March 31, 2024	-	2.74	-	2.74
<b>Financial liabilities</b>					
Derivative financial liabilities	March 31, 2024	-	4.74	-	4.74

There has been no transfer between level 1 and level 2 during the year and during the previous year.

The fair value of forward contracts is determined using observable inputs, such as currency exchange rates applied to notional amounts stated in the applicable contracts.

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### (a) Financial Risk Management

The Group's principal financial liabilities, other than derivatives, comprise trade and other payables and loans and borrowings. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and amortised cost investments and enters into derivative transactions.

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to market risk, credit risk and liquidity risk.

The Group's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the years ended March 31, 2025 and March 31, 2024. The management of the Holding Company reviews and agrees policies for managing each of these risks which are summarised below:

#### I Market risk

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates, and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all investments traded in the market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is currently exposed to such risk as most of the the borrowings are on floating interest terms, the impact due to change in interest rate are as follows:

	Impact on profit before tax	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest rate		
- Increase by 100 basis points	(16.93)	(12.56)
- Decrease by 100 basis points	16.93	12.56

### b Foreign currency risk

Foreign exchange risk arises when future commercial transactions and relevant assets and liabilities are denominated in a currency that is not the Group's functional currency. Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk is managed on the basis of limits determined by management and a continuous assessment of current and expected exchange rate movements and entering into derivative contracts that hedge the maximum period of exposure of underlying transactions (i.e., highly probable forecast sales and purchases).

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement expected of the resulting receivable or payable that is denominated in the foreign currency.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, SEK, EUR and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives not designated as cash flow hedge and foreign currency derivatives with underlying foreign currency monetary assets/liabilities designated as cash flow hedge. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	Impact on profit before tax		Impact on other components of equity	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>USD Sensitivity</b>				
INR/ USD - Increase by 1%	(3.56)	(3.31)	(3.45)	(0.20)
INR/ USD - Decrease by 1%	3.56	3.31	3.45	0.20
<b>SEK Sensitivity</b>				
INR/ SEK - Increase by 1%	-	(0.17)	-	(0.01)
INR/ SEK - Decrease by 1%	-	0.17	-	0.01
<b>JPY Sensitivity</b>				
INR/ JPY - Increase by 1%	-	0.02	-	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(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	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
INR/ JPY - Decrease by 1%	-	(0.02)	-	-
<b>EUR Sensitivity</b>				
INR/ EUR - Increase by 1%	0.25	0.77	1.67	0.44
INR/ EUR - Decrease by 1%	(0.25)	(0.77)	(1.67)	(0.44)

Favourable impact shown as positive and adverse impact as negative.

The exposure to other foreign currencies is not significant to the Group's financial statements.

### c Price risk

The Group's investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. These securities are unquoted. The Group manages the price risk through diversification and by placing limits on individual and total equity/mutual fund instruments. Further, the price risk is also mitigated by switching the investment portfolio between investment in equity/mutual fund instruments and investments in bank deposits/corporate deposits. Reports on the investment portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. The Group is not currently exposed significantly to such risk.

## II Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables, lease assets and contract assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

### Trade receivables/contract assets/lease receivable

Customer credit risk is managed by each business unit. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on losses as per historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in notes 7, 9(b) and 31(i)(a) above. The charge of impairment to Statement of Profit and Loss is disclosed in note 27 above. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### Financial instruments and bank deposits

Credit risk from balances with banks, mutual funds, loans and other financial assets are managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties having a good market reputation and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for bank balances and deposits as at March 31, 2025 and March 31, 2024 is the carrying amounts as disclosed in note 9(a) and 13, maximum exposure relating to financial derivative instruments disclosed in notes 9(b) and 18(b) to the consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

## III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at operating segments level in the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting future cash flows and considering the level of liquid assets necessary to meet these and monitoring balance sheet liquidity ratios against internal requirements.

### (i) Maturities of financial liabilities

The tables below summarises the Group's financial liabilities into relevant maturity profile based on contractual undiscounted payments:

As at March 31, 2025	< 1 year	1 to 3 years	> 3 years	Total
<b>Non-derivative</b>				
Borrowings				
Loans	531.79	135.11	1,026.44	1,693.34
Trade payables	1,696.63	54.37	-	1,751.00
Other financial liabilities				
Lease obligation	5.49	10.18	27.46	43.13
Unpaid dividend	0.62	-	-	0.62
Other payables	211.42	5.90	130.40	347.72
<b>Derivatives (net settled)</b>				
Foreign exchange forward contracts	13.23	-	-	13.23

As at March 31, 2024	< 1 year	1 to 3 years	> 3 years	Total
<b>Non-derivative</b>				
Borrowings				
Loans	466.47	87.84	701.64	1,255.95
Trade payables	1,532.89	48.15	-	1,581.04
Other financial liabilities				
Lease obligation	5.07	5.46	26.11	36.64
Unpaid dividend	0.61	-	-	0.61
Other payables	184.09	3.55	92.36	280.00
<b>Derivatives (net settled)</b>				
Foreign exchange forward contracts	4.74	-	-	4.74

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### (b) Hedging Activities and Derivatives

#### Cash flow hedges

##### Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in EUR, USD, SEK, and forecast purchases in USD, JPY and SEK . These forecast transactions are highly probable, and fully cover the Group's expected future sales and future purchases based on the orders received.

While the Group also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

	As at March 31, 2025		As at March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Fair value of Foreign exchange forward contracts designated as hedging instruments	16.23	(13.23)	2.74	(4.74)

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss. Notional amounts of hedged instruments mentioned as assets for export transaction and as liabilities for import transactions, are as mentioned below:

	As at March 31, 2025		As at March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
<b>Cash flow hedge</b>				
Foreign exchange forward contracts	1,462.98	-	410.10	(15.77)
<b>Derivatives not designated as hedges</b>				
Foreign exchange forward contracts	887.08	291.27	732.69	(161.13)

All the derivative contracts expire in next 12 months.

The cash flow hedges of the expected future sales and purchases were assessed to be highly effective and following net unrealised gain/(loss) with a deferred tax asset/ (liability) relating to the hedging instruments, is included in OCI.

	As at March 31, 2025		As at March 31, 2024	
	Expected future sales	Expected future purchases	Expected future sales	Expected future purchases
Unrealised gain/ (loss)	(1.34)	-	(1.10)	-
Deferred tax asset/ (liability)	0.34	-	0.28	-
	<b>(1.00)</b>	<b>-</b>	<b>(0.82)</b>	<b>-</b>

The amounts retained in OCI at March 31, 2025 are expected to mature and affect the statement of Profit and Loss during the year ending March 31, 2026.

Reclassifications to profit or loss during the year gains or losses included in OCI are shown in Note 29.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 38 Struck off Companies^

There are no shares held in struck off companies. Below are details of investment, receivable, payable and any other transactions outstanding with struck off companies.

For the year ended March 31, 2025, there are no transactions with struck off companies.

For the year ended March 31, 2024:

Name of struck off company	Entity name	Nature of transactions	Transaction during the year	Balance outstanding at the end of the year	Relationship with the struck off Company, if any, to be disclosed
Parim Infocomm Private Limited	Thermax Instrumentation Limited	Payable	-	**	None
Optima Erectors Pvt. Ltd.	Thermax Instrumentation Limited	Trade payables	0.10	**	None
Compact Global Private Limited	Thermax Babcock & Wilcox Energy Solutions Ltd	Payable	-	0.65	None

\*\*Less than a lakh rupees

^Information in this regard is on basis of intimation received, on requests made by the Holding Company and its Indian subsidiaries, with regards to registration of vendors and customers under the Act.

### 39 Capital 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 equity and operating cash flows generated. No changes were made in the objectives, policies or processes during the years ended March 31, 2025 and March 31, 2024. Capital represents equity attributable to equity holders of the Parent Company.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Borrowings	1,693.34	1,255.95
Lease liabilities	24.32	21.48
Less: Cash and cash equivalents(includes deposits with maturity of more than 3 months but less than 12 months)	(1,153.92)	(975.93)
<b>Net debt</b>	<b>563.74</b>	<b>301.50</b>
Equity attributable to equity holders of the parent	4,936.89	4,439.80
<b>Capital and net debt</b>	<b>5,500.63</b>	<b>4,741.30</b>
<b>Gearing ratio</b>	<b>1:9.76</b>	<b>1:15.73</b>

Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that defines capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. One of the subsidiary has not complied with some of the debt covenants as at March 2025, refer note 16 for details.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 40 Share Based Payments

#### Employees Stock Option Plan 2021 (ESOP 2021)

The Board of Directors and the shareholders of the Holding Company approved Employee Stock Option Plan at their meeting in January 2022. Pursuant to this approval, the Holding Company instituted ESOP 2021 Plan in January 2022. The nomination and remuneration committee of the Holding Company administers this Plan. Each option carries with it the right to purchase one equity share of the Holding Company. The Options have been granted to employees of the Holding Company and its subsidiaries at an exercise price that is not less than the face value of shares as on date of grant of such option. Option Granted under ESOP 2021 shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 3 (Three) years from the date of grant. The vesting of the options is 33%, 33% and 34% of total options granted after end of first, second and third year respectively from the date of grant. The maximum exercise period is 5 years from the date of vesting.

Number and weighted average exercise prices of options granted, exercised and cancelled/lapsed during the financial year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of options	Weighted average exercise price per option	No. of options	Weighted average exercise price per option
Options outstanding at the beginning of the year	41,699	15.25	21,609	15.25
Granted during the year	12,898	15.25	28,558	15.25
Forfeited during the year	636	15.25	2,580	15.25
Exercised during the year	19,198	15.25	5,888	15.25
Expired during the year	-	-	-	-
Options outstanding at the end of year	34,763	15.25	41,699	15.25
Options exercisable at the end of the year	2,972	15.25	5,079	15.25

The weighted average remaining contractual life is as follows:

Weighted exercise price per option	As at March 31, 2025		As at March 31, 2024	
	Weighted average contractual life (years)	No. of Options Outstanding	Weighted average contractual life (years)	No. of Options Outstanding
Rs. 15.25	Ranging between 1.83 - 4.28	34,763	Ranging between 1.83 - 1.90	41,699

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

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, 2025	As at March 31, 2024
1. Exercise price per option (Rs.)	15.25	15.25
2. Price of the underlying share in market at the time of the option grant (Rs.)	Ranging between 2,139.45 - 4,485.35	Ranging between 2,139.45 - 2,415.85
3. Weighted average fair value of options granted (Rs.)	Ranging between 2,107.61 - 4,384.98	Ranging between 2,105.39 - 2,379.45
4. Expected life of the option (years)	3-5	3-5
5. Risk free interest rate (%)	Ranging between 6.41% - 7.56%	Ranging between 6.53% - 7.05%
6. Expected volatility (%)	Ranging between 12.86% - 14.09%	Ranging between 12.86% - 13.14%
7. Dividend yield (%)	Ranging between 0.47% - 0.48%	0.48%

The Group recorded an employee compensation cost of Rs. 5.84 (March 31, 2024: Rs. 4.88 ) 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.

### 41 Other Statutory Information

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property;
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period;
- The Group have not traded or invested in crypto currency or virtual currency during the financial year;
- The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - 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 to or on behalf of the Ultimate Beneficiaries;
- The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - 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;
- The Group have not any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### 42 Appointment of Company Secretary

The Company is in process of appointing a Company Secretary as on the date, as the former Company Secretary held the office upto April 18, 2025.

### 43 A. COMPLIANCE WITH SECTION 143 (3) FOR MAINTENANCE OF BOOKS OF ACCOUNT

The Holding Company and its Indian subsidiaries including foreign branches have a process to take daily back-up of books of account maintained in electronic mode and along with the logs of the back-up of such books of account. However, the backup of certain books of account and books and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis:

Entity name	IT Application/Branches	Requirements u/s 143(3) of the Act	
		Books of Account maintained on cloud/servers physically located in India	Backup maintained in India on daily basis
First Energy Private Limited First Energy TN 1 Private Limited First Energy 2 Private Limited First Energy 3 Private Limited First Energy 4 Private Limited First Energy 5 Private Limited First Energy 6 Private Limited First Energy 7 Private Limited Jalansar Wind Energy Private Limited Kanakal Wind Energy Private Limited First Energy 8 Private Limited First Energy Nine Private Limited First Energy 10 Private Limited First Energy 11 Private Limited Thermax Vebro Polymers India Private Limited	Certain books of account including books and paper	No	No**
Thermax Instrumentation Limited	Foreign branches	No	No

\*\*The Group has a process to take daily back-up of books of account maintained in electronic mode. 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.

### 43 B. COMPLIANCE WITH SECTION 143 (3) FOR AUDIT TRAIL

The Holding Company and subsidiaries which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of audit trail except for the following:

The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for below instances.

- i) 3 International branches of an Indian subsidiary did not have accounting softwares which had a feature of recording audit trail (edit log) facility and the same did not operate throughout the year for all relevant transactions recorded in the softwares.
- ii) 7 Indian subsidiaries and the Holding Company have used accounting software's for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, the audit trail feature is not enabled for changes made to master data in four accounting software's and changes made to the underlying database using privileged/administrative access rights. Further no instance of audit trail feature being tampered with

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

was noted in respect of accounting software. Additionally, the audit trail of prior year has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

- iii) 14 Indian subsidiaries used the primary accounting software 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.
- iv) 1 Indian subsidiary has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by certain users with specific access. Further at the database level it has operated only towards the end of the financial year, except for certain information or data.
- iv) 1 Indian subsidiary have used accounting software for maintaining its books of account which did not have a feature of recording audit trail (edit log) facility through out the year.
- v) 1 Indian subsidiary has not used any accounting software for maintaining its books of accounts.

### 44 Exceptional Items

	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision related to litigation (Refer note 30 A (d))	-	(50.63)
Gain on sale of Property, Plant and Equipment	-	126.12
	-	75.49

### 45 Business Combination

- (i) The holding company had entered into a Share Purchase Agreement ("SPA") and a Shareholders Agreement ("SHA") on February 06, 2024 with TSA Process Equipments Private Limited (TSA) and its shareholders to acquire 51% equity shares of TSA subject to certain conditions precedents to the SPA. The Company had completed the acquisition of 51% equity shares of TSA for a cash consideration of Rs. 71.14 subject to certain adjustments with effect from April 19, 2024 (date of acquisition). Further, subject to the conditions in SPA, the Company shall acquire remaining 49% of the equity shares over a period of next two years, and accordingly accounted for a redemption liability of Rs. 58.17. The fair value of assets and liabilities acquired have been determined in accordance with IND AS 103 "Business Combinations". The excess of the purchase price over the fair value of the net assets acquired has been allocated to goodwill.

TSA is engaged in the business of developing, designing, supplying, installing and commissioning of complete turn-key solutions for varied water treatment and distribution needs for high purity plants, reverse osmosis plants, demineralisation plant and sterile ultrafiltration plant of any capacity. With the acquisition of 51% equity stake in TSA, TSA has become a subsidiary of the Company with effect from the closing date, enabling the Group to take advantage of emerging opportunities in high purity water solutions.

The Group has elected to measure the non-controlling interests in the acquiree at fair value. Further, the Company has the call option to buy and non-controlling interest (NCI) has the put option to sell, the balance 49% stake at a value to be determined as per the terms of the share purchase and share subscription agreement (SPSSA).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

As on the acquisition date, the Group has accounted the fair value of redemption liability for put option over NCI upon exercise and recognised the subsequent fair value change in other equity in consolidated financial statements. The Group has recognised put option liability on fair value basis. key assumption used to determined fair value of put option is based on projected EBIDTA of TSA. The fair value of redemption liability on March 31, 2025 is Rs. 65.43.

### A. Fair value of Consideration transferred:

Particulars	Amount
Fair value of purchase consideration (including redemption liability)	129.31
<b>Total purchase consideration (A)</b>	<b>129.31</b>

### B. Acquisition-related costs:

The Group has incurred acquisition-related cost of Rs. 0.50 on legal fees and due diligence cost. These cost has been included in 'legal and professional fees under other expenses.

### C. Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Particulars	Amount
Property, plant and equipment including capital work-in-progress	16.91
Right-of-use Assets	1.53
<b>Other intangible assets:</b>	
Technical know how	28.87
Customer Relationship	11.02
Non - Compete	6.50
Brand	9.19
<b>Current assets:</b>	
Cash and cash equivalents	0.16
Other assets	6.17
Inventories	31.85
Trade receivables	42.69
<b>Current liabilities:</b>	
Borrowings	18.51
Trade payables	21.03
Lease liabilities	1.73
Other current liabilities	14.23
Other financial liabilities	0.89
<b>Deferred tax liabilities (net)*</b>	<b>13.53</b>
<b>Total net identifiable assets acquired (C)</b>	<b>84.97</b>

\* Deferred tax liabilities (net) mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### D. Goodwill:

Goodwill arising from the acquisition has been determined as follows:

Particulars	Amount
Fair value of purchase consideration (including redemption liability) (A)	129.31
Fair value of net identifiable assets (C)	84.97
<b>Goodwill (A - C)</b>	<b>44.34</b>

The Goodwill of Rs. 44.34 is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of TSA's workforce and expected cost synergies. Goodwill has been allocated to the Industrial Products segment and is not expected to be deductible for tax purposes. The fair value of NCI has been determined considering 9% discount rate.

The fair value of trade receivables is Rs. 42.69, while the gross contractual amount receivable is Rs. 43.57. None of the trade receivables are credit impaired, and it is expected that the full contractual amount will be collected, except for Rs. 0.88. Additionally, no contingent liability has been transferred to the Group.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favorable terms of the lease relative to market terms.

From the date of acquisition, TSA has contributed Rs. 129.26 of revenue and Rs. 4.55 to the profit before tax from of the Group. If the combination had taken place at the beginning of the year, revenue would have been Rs. 129.65 and the profit before tax for the Group would have been Rs. 3.58.

- (ii) The holding company had entered into Share Purchase Agreement ("SPA") with Buildtech Products India Private Limited ("Buildtech") and it's Promoters on October 25, 2024 for acquiring the 100% of the equity share capital of Buildtech. Buildtech is engaged in manufacturing admixtures, accelerators and capsules used in tunnels, infrastructure and railway projects. The Company has completed the acquisition of 100% equity share capital of Buildtech on December 17, 2024 (i.e., the Closing Date), for a cash consideration of Rs. 77.20 crores subject to completion of certain conditions precedents mentioned in the SPA. Accordingly, Buildtech has become a wholly owned subsidiary of the Company.

Established in 1995, Buildtech Products India Pvt. Ltd. is a reputed brand specialising in the innovative manufacturing and trading of a diverse range of products for the construction industry. The Buildtech majorly sells premium products like accelerators, resins, high-quality cement capsules, effective plasticisers, micro silica, PVC membranes, and more, all tailored for tunnel, infrastructure, and railway projects. Buildtech is proudly associated with major infrastructure development projects, including ambitious hydroelectric power projects, intricate highway and railway tunnelling, and robust bridges and flyovers.

Integrating these products allows the Group to offer a more comprehensive range of construction chemical solutions. Buildtech's expertise in products used for major civil repairs, waterproofing, and other infrastructure applications complements the Group's existing offerings, enabling the company to better support complex infrastructure projects.

In summary, the acquisition is expected to create synergies by combining Buildtech's specialised product offerings with Group's established market presence, thereby strengthening Group's capabilities in the construction chemicals industry and supporting India's evolving infrastructure needs.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

### A. Fair value of Consideration transferred:

Partiulars	Amount
Fair value of purchase consideration	77.20
<b>Total purchase consideration (A)</b>	<b>77.20</b>

### B. Acquisition-related costs:

The Group has incurred acquisition-related cost of Rs. 0.19 on legal fees and due diligence cost. These cost has been included in 'legal and professional fees' under other expenses.

### C. Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Particulars	Amount
Property, plant and equipment	2.16
Right-of-use assets	3.00
<b>Other Intangible assets:</b>	
Technical know how	15.63
Customer Relationship	7.25
Non - Compete	2.50
Brand	0.64
<b>Current assets:</b>	
Cash and cash equivalents	10.19
Trade receivables (gross)	12.10
Inventories	1.04
Other current assets	2.28
<b>Current liabilities:</b>	
Trade payables	6.23
Other current liabilities	1.47
<b>Deferred tax liabilities (net)*</b>	<b>4.67</b>
<b>Total net identifiable assets acquired (C)</b>	<b>44.42</b>

\*Deferred tax liabilities (net) mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

### D. Goodwill

Goodwill arising from the acquisition has been determined as follows:

Particulars	Amount
Fair value of purchase consideration (A)	77.20
Fair value of net identifiable assets (C)	44.42
<b>Goodwill (A - C)</b>	<b>32.78</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

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

The Goodwill of Rs. 32.78 is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of Buildtech's workforce and expected cost synergies. Goodwill has been allocated to the Chemicals segment and is not expected to be deductible for tax purposes.

The fair value of trade receivables is Rs. 7.99, while the gross contractual amount receivable is Rs. 12.10. None of the trade receivables are credit impaired, and it is expected that the full contractual amount will be collected, except for Rs. 4.11.

From the date of acquisition, Buildtech has contributed Rs. 7.50 of revenue and Rs. 0.72 to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue would have been Rs. 28.65 and the profit before tax for the Group would have been Rs. 3.86.

(iii) On March 10, 2025, Thermax Chemical Solutions Private Limited (TCSPL), a wholly owned subsidiary of the Company, entered into a Share Subscription and Shareholders Agreement with Oswaldo Cruz Química Indústria E Comércio LTDA, Brazil (OCQ). The newly formed entity, Fortmax Chemicals India Private Limited (FCIPL) will engage in the manufacturing, trading, marketing, and sale of specialty chemicals and products within the Permitted Territories. TCSPL will hold a majority stake of 51% in the new company, while OCQ will hold the remaining 49%. On April 11, 2025, FCIPL has been incorporated with Authorised Share Capital of Rs. 15 and paid-up capital of Rs. 4.59.

**46.** During the previous year, the site of one of the step down subsidiary i.e., First Energy 4 Private Limited the site was hit by unprecedented torrential rain around mid December 2023 resulting in submerging of the project site. The management has performed assessment of losses incurred on account of this event. Modules worth Rs. 109.25 were also submerged under water, but a substantial portion of these modules were subsequently operational and there was no sign of any physical damage except for a few modules. The Management had filed for an insurance claim for total loss inclusive of modules cost amounting to Rs. 117 which was later revised to Rs. 74. The insurance company had acknowledged the intimation of claim and had confirmed that the property and the event are covered under the policy. Further the Insurance Company had remitted Rs. 10 (March 31, 2024: Rs. 10) as on account payment. The expense of Rs. 3.39 (March 31, 2024: Rs. 3.39) pertaining to damage was accounted for as repairs and maintenance cost in the books of account and the corresponding insurance claim income of Rs. 3.23 (March 31, 2024: Rs.3.23) was recognised based on management's assessment of insurance claim being virtually certain. The discussion with insurance company for ascertainment of damage is still ongoing.

Further, during the year, site of First Energy 4 Private Limited and First Energy 6 Private Limited were affected by severe rains in December 2024 resulting in submerging of site. The management has performed assessment of losses incurred on account of this event. Basis the assessment, amount of Rs. 1.39 (March 31, 2024: Rs. Nil) and Rs. 1.55 (March 31, 2024: Rs. Nil) has been recognised as impairment expenses for the damage in the books of account in First Energy 6 Private Limited and First Energy 4 Private Limited respectively. The management has communicated the extent of damages to the insurer.

**47.** First Energy Private Limited entered into a Share Purchase Agreement (SPA) with the former owners of Onix Two Enersol Private Limited (OTEPL) on September 6, 2024, to acquire 100% of OTEPL's shares for Rs. 0.01. The agreement specified certain precedent conditions that were to be fulfilled by October 5, 2024. These conditions remained unfulfilled and a further extension of six months was granted. These conditions were not complied even in the extended period. Accordingly, the acquisition did not consummate and hence not considered in the consolidated financial statements of First Energy Private Limited. OTEPL did not have material transactions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025  
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

48 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Disclosure of additional information pertaining to the parent company, subsidiaries and its associates: For the year ended March 31, 2025:

Name of the Entity	Net Assets (Total assets- total liabilities)		Share in Profit and loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent Company								
Thermax Limited	80.28%	3,967.76	91.29%	572.14	151.07%	(3.52)	91.07%	568.62
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Limited	21.11%	1,043.41	36.01%	225.67	371.67%	(8.66)	34.76%	217.01
Thermax Onsite Energy Solutions Limited	5.11%	252.43	5.79%	36.30	4.72%	(0.11)	5.80%	36.19
Thermax Instrumentation Limited	0.70%	34.75	1.54%	9.64	6.01%	(0.14)	1.52%	9.50
Thermax Engineering Construction Company Limited	0.30%	14.99	(0.03%)	(0.18)	5.58%	(0.13)	(0.05%)	(0.31)
Thermax Cooling Solutions Limited	-	0.16	0.03%	0.20	-	-	0.03%	0.20
Thermax Sustainable Energy Solutions Limited*	(0.08%)	(3.83)	-	-	-	-	-	-
First Energy Private Limited (Consol.)	6.60%	326.02	(9.02%)	(56.52)	(9.87%)	0.23	(9.02%)	(56.29)
Enernxt Private Limited	0.46%	22.82	(0.11%)	(0.71)	-	-	(0.11%)	(0.71)
Thermax BioEnergy Solutions Private Limited	(1.76%)	(87.08)	(15.21%)	(95.34)	6.44%	(0.15)	(15.29%)	(95.49)
TSA Process Equipments Private Limited	0.77%	38.22	0.52%	3.26	(0.43%)	0.01	0.52%	3.27
Thermax Chemical Solutions Private Limited	0.30%	14.63	(0.02%)	(0.12)	-	-	(0.02%)	(0.12)
Thermax Vebro Polymers India Private Limited	0.23%	11.20	(0.76%)	(4.76)	0.86%	(0.02)	(0.77%)	(4.78)
Buildtech Products India Private Limited	0.42%	20.86	0.07%	0.41	-	-	0.07%	0.41
Foreign subsidiaries								
Thermax Engineering Singapore Pte. Ltd.	2.27%	111.97	-	0.02	75.97%	(1.77)	(0.28%)	(1.75)
PT Thermax International Indonesia	1.49%	73.43	(1.29%)	(8.09)	102.58%	(2.39)	(1.68%)	(10.48)
Thermax Inc.	2.23%	110.15	0.94%	5.90	(111.16%)	2.59	1.36%	8.49
Thermax Europe Limited	1.56%	76.89	0.20%	1.27	(151.93%)	3.54	0.77%	4.81
Thermax Netherlands B.V.	1.96%	97.08	14.83%	92.93	897.42%	(20.91)	11.53%	72.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025  
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Name of the Entity	Net Assets (Total assets- total liabilities)		Share in Profit and loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Thermax Denmark ApS (Consol.)	2.38%	117.79	7.26%	45.49	(172.96%)	4.03	7.93%	49.52
Thermax International Limited	0.58%	28.68	2.26%	14.18	(15.02%)	0.35	2.33%	14.53
Thermax Energy and Environment Lanka (Pvt) Limited	0.67%	33.00	0.12%	0.77	(53.65%)	1.25	0.32%	2.02
Rifox-Hans Richter GmbH Spezialarmaturen	0.35%	17.12	0.29%	1.83	(18.45%)	0.43	0.36%	2.26
Thermax Energy & Environment Philippines Corporation	0.12%	5.80	0.03%	0.19	(1.72%)	0.04	0.04%	0.23
Thermax Engineering Construction FZE	0.33%	16.34	(0.45%)	(2.80)	(18.45%)	0.43	(0.38%)	(2.37)
Thermax Sdn.Bhd	0.07%	3.29	0.10%	0.60	(10.30%)	0.24	0.13%	0.84
Thermax Nigeria Limited	0.25%	12.31	1.16%	7.27	77.25%	(1.80)	0.88%	5.47
Thermax do Brasil- Energia e Equipamentos Ltda.	0.02%	0.85	0.01%	0.05	3.86%	(0.09)	(0.01%)	(0.04)
Thermax International Tanzania Limited	0.14%	6.95	0.79%	4.92	(4.72%)	0.11	0.81%	5.03
Thermax (Thailand) Limited	0.67%	32.99	0.23%	1.44	(125.32%)	2.92	0.70%	4.36
Associates								
Covacsis Technologies Private Limited	-	-	(0.07%)	(0.41)	-	-	(0.07%)	(0.41)
Exactspace Technologies Private Limited	-	-	0.03%	0.17	-	-	0.03%	0.17
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	3.10%	153.37	1.56%	9.80	-	-	1.57%	9.80
Consolidation Adjustments	(32.63%)	(1,611.77)	(38.10%)	(238.82)	(909.45%)	21.19	(34.85%)	(217.63)
Total	100.00%	4,942.58	100.00%	626.70	100.00%	(2.33)	100.00%	624.37

\*Liquidated in FY 2023-24.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025  
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Disclosure of additional information pertaining to the parent company, subsidiaries and its associates: For the year ended March 31, 2024:

Name of the Entity	Net Assets (Total assets- total liabilities)		Share in Profit and loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent Company								
Thermax Limited	79.66%	3,536.70	68.01%	437.44	47.41%	(4.21)	68.30%	433.23
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Limited	18.61%	826.19	20.58%	132.36	(3.88%)	0.34	20.92%	132.71
Thermax Onsite Energy Solutions Limited	4.87%	216.13	4.03%	25.94	0.64%	(0.06)	4.08%	25.88
Thermax Instrumentation Limited	1.13%	50.25	1.79%	11.51	4.63%	(0.41)	1.75%	11.10
Thermax Engineering Construction Company Limited	0.34%	15.31	0.15%	0.94	(0.07%)	0.01	0.15%	0.95
Thermax Cooling Solutions Limited	0.00%	(0.05)	(0.01%)	(0.03)	(0.05%)	0.00	0.00%	(0.03)
Thermax Sustainable Energy Solutions Limited	(0.09%)	(3.83)	0.00%	-	-	-	0.00%	-
First Energy Private Limited (Consol.)	8.02%	356.17	(7.48%)	(48.14)	2.03%	(0.18)	(7.62%)	(48.32)
Enernxt Private Limited	0.53%	23.53	(0.01%)	(0.08)	-	-	(0.01%)	(0.08)
Thermax BioEnergy Solutions Private Limited	(0.25%)	(11.24)	(2.68%)	(17.23)	1.97%	(0.17)	(2.74%)	(17.40)
Foreign subsidiaries								
Thermax Engineering Singapore Pte. Ltd.	1.69%	75.13	(10.67%)	(68.60)	(205.22%)	18.20	(7.95%)	(50.40)
PT Thermax International Indonesia	1.77%	78.56	(3.60%)	(23.16)	20.49%	(1.82)	(3.94%)	(24.97)
Thermax Inc.	2.29%	101.67	1.54%	9.87	(16.13%)	1.43	1.78%	11.30
Thermax Europe Limited	1.62%	72.08	0.41%	2.67	(29.63%)	2.63	0.83%	5.30
Thermax Netherlands B.V.	0.56%	25.02	(0.11%)	(0.70)	0.01%	(0.00)	(0.11%)	(0.70)
Thermax Denmark ApS (Consol.)	1.54%	68.27	4.30%	27.64	(42.31%)	3.75	4.95%	31.39
Thermax International Limited	0.32%	14.15	1.37%	8.80	(0.60%)	0.05	1.40%	8.85
Thermax Energy and Environment Lanka (Pvt) Limited	0.70%	30.98	(0.15%)	(0.94)	(29.23%)	2.59	0.26%	1.65
Rifox-Hans Richter GmbH Spezialarmaturen	0.33%	14.85	0.37%	2.37	(1.61%)	0.14	0.40%	2.51
Thermax Energy & Environment Philippines Corporation	0.13%	5.58	0.05%	0.29	1.21%	(0.11)	0.03%	0.18

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025  
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Name of the Entity	Net Assets (Total assets- total liabilities)		Share in Profit and loss (PAT)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated Other Comprehensive Income	Amount	As a % of consolidated Total Comprehensive Income	Amount
Thermax Engineering Construction FZE	0.42%	18.70	2.04%	13.10	(2.00%)	0.18	2.09%	13.28
Thermax Sdn.Bhd	0.06%	2.44	0.02%	0.15	1.47%	(0.13)	0.00%	0.02
Thermax Nigeria Limited	0.33%	14.55	2.78%	17.85	130.28%	(11.56)	0.99%	6.29
Thermax do Brasil-Energia e Equipamentos Ltda.	0.02%	0.89	0.04%	0.25	(0.15%)	0.01	0.04%	0.26
Thermax International Tanzania Limited	0.23%	10.19	0.70%	4.52	12.19%	(1.08)	0.54%	3.44
Thermax (Thailand) Limited	0.12%	5.30	0.16%	1.03	2.65%	(0.24)	0.13%	0.80
Associates								
Covacsis Technologies Private Limited	0.00%	-	(0.05%)	(0.30)	0.00%	-	(0.05%)	(0.30)
Exactspace Technologies Private Limited	0.00%	-	(0.08%)	(0.52)	0.00%	-	(0.08%)	(0.52)
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	3.23%	143.56	0.97%	6.23	0.00%	-	0.98%	6.23
Consolidation Adjustments	(28.18%)	(1,251.27)	15.54%	99.93	205.91%	(18.26)	12.88%	81.67
Total	100.00%	4,439.80	100.00%	643.19	100.00%	(8.87)	100.00%	634.32

As per our report of even date attached  
For S R B C & CO LLP

Chartered Accountants  
ICAI Firm Reg No. 324982E/E300003

per Vaibhav Kumar Gupta

Partner  
Membership No. 213935

Place: Pune  
Date: May 09, 2025

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

Meher Pudumjee

Chairperson  
DIN: 00019581

Ashish Bhandari

Managing Director and CEO  
DIN: 05291138

Rajendran Arunachalam

Executive Vice President  
and Group Chief Financial Officer

Place: Pune  
Date: May 09, 2025



FORM AOC- I

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

Part “A” : Subsidiaries

(Rs. in Crore)

Name of the Subsidiary	Reporting period	Date of acquisition	Capital	Reserves	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of Share Holding	Reporting currency	Exchange rate as on 31st March 2025
Thermax Engineering Construction Co. Ltd.	2024-25		4.50	10.49	15.47	0.48	-	-	(0.18)	-	(0.18)	-	100.00	INR	
Thermax Instrumentation Ltd.	2024-25		9.00	25.75	78.08	43.33	22.27	51.09	17.75	8.11	9.64	-	100.00	INR	
Thermax Onsite Energy Solutions Ltd.	2024-25		108.28	144.15	462.13	209.70	72.98	558.35	48.86	12.56	36.30	-	100.00	INR	
First Energy Private Limited	2024-25	31-Aug-16	419.32	(59.70)	738.75	379.13	359.88	48.61	(4.41)	-	(4.41)	-	100.00	INR	
First Energy TN 1 Private Limited	2024-25		22.00	(2.33)	103.35	83.68	-	8.55	(0.89)	0.34	(0.55)	-	74.00	INR	
First Energy 2 Private Limited	2024-25		11.54	(1.21)	38.01	27.68	-	4.21	(0.15)	-	(0.15)	-	74.00	INR	
Jalansar Wind Energy Private Limited	2024-25	22-Jun-22	2.22	(0.39)	7.81	5.98	-	0.91	(0.11)	-	(0.11)	-	74.00	INR	
Kanakal Wind Energy Private Limited	2024-25	22-Jun-22	3.32	(0.35)	11.77	8.80	-	1.39	(0.05)	-	(0.05)	-	74.00	INR	
First Energy 3 Private Limited	2024-25		99.81	(24.59)	393.46	318.24	-	37.67	(13.53)	-	(13.53)	-	74.00	INR	
First Energy 4 Private Limited	2024-25		68.55	(20.32)	272.70	224.47	-	25.78	(12.88)	-	(12.88)	-	74.00	INR	
First Energy 5 Private Limited	2024-25		94.98	(2.60)	422.90	330.52	-	-	(1.10)	-	(1.10)	-	74.00	INR	
First Energy 6 Private Limited	2024-25		44.63	(8.16)	179.63	143.16	-	4.67	(6.94)	-	(6.94)	-	74.00	INR	
Thermax International Ltd. (Mauritius)	2024-25		29.42	0.88	34.74	4.44	7.70	-	14.93	0.61	14.32	-	100.00	USD	85.47
Thermax Europe Ltd. (U.K.)	2024-25		2.21	74.68	109.06	32.16	-	41.84	1.68	0.39	1.29	-	100.00	GBP	110.41
Thermax Inc. (U.S.A.)	2024-25		4.27	105.88	183.53	73.37	-	186.60	7.80	1.84	5.96	-	100.00	USD	85.47
Thermax do Brasil Energia e Equipamentos Ltda. (Brazil)	2024-25		1.63	(0.78)	0.87	0.02	-	0.57	0.05	-	0.05	-	100.00	Brazilian Real	14.98
Thermax Denmark ApS.	2024-25		161.10	(43.37)	112.90	(4.96)	-	-	45.02	0.49	45.51	-	100.00	DKK	12.39
Thermax Netherlands BV.	2024-25		302.41	(175.61)	119.77	0.65	117.75	-	86.93	-	86.93	-	100.00	EUR	92.45
Danstoker A/S	2024-25	1-Oct-10	12.39	118.04	242.70	72.00	-	95.97	56.47	11.04	46.44	-	100.00	DKK	12.39
Ejendomsanp-artsselskabet Industrivej Nord 13	2024-25	1-Oct-10	0.25	42.06	58.51	16.20	-	3.25	3.04	0.67	2.37	-	100.00	DKK	12.39
Boilerworks A/S	2024-25		0.62	(7.19)	(6.44)	0.12	-	-	(0.49)	0.12	(0.37)	-	100.00	DKK	12.39
Rifox-Hans Richter GmbH Spezialarmaturen	2024-25	1-Apr-12	6.62	10.49	22.86	5.75	-	38.99	2.75	0.89	1.86	-	100.00	EUR	92.45
Thermax SDN.BHD	2024-25		0.96	2.33	6.16	2.87	-	3.50	0.86	0.23	0.63	-	100.00	Malaysian Ringet	19.27
Thermax Engineering Singapore Pte. Ltd	2024-25		274.40	(143.92)	131.41	0.93	124.98	-	0.02	-	0.02	-	100.00	USD	85.47
PT Thermax International Indonesia	2024-25		186.79	(113.40)	140.59	67.21	-	100.97	(7.90)	-	(7.90)	-	100.00	Indonesian Rupiah	0.01
Thermax Energy and Environment Philippines Corporation	2024-25		7.30	(1.51)	6.04	0.25	-	2.43	0.29	0.10	0.19	-	100.00	PHP	1.49
Thermax Nigeria Limited	2024-25		0.28	12.03	23.45	11.14	-	26.52	10.95	3.60	7.35	-	100.00	NGN	0.06
Thermax Energy and Environment Lanka (pvt) Limited	2024-25	8-Aug-17	32.74	0.27	36.71	3.70	-	38.32	1.64	0.85	0.79	-	100.00	LKR	0.29
Thermax Babcock & Wilcox Energy Solutions Ltd	2024-25		628.22	415.18	1,527.70	291.22	2,265.26	303.05	77.38	225.67	-	100.00	INR		
Thermax Cooling Solutions Limited	2024-25		10.00	(9.84)	4.54	4.39	-	3.88	0.36	0.16	0.20	-	100.00	INR	
Thermax Engineering Construction FZE	2024-25		0.17	16.23	20.00	3.00	-	10.37	2.71	-	2.71	-	100.00	USD	85.47
Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	2024-25	4-May-17	68.92	(24.21)	121.14	76.43	-	169.72	14.13	(3.76)	10.37	-	100.00	PLN	22.09
Thermax (Thailand) Limited	2024-25		29.46	3.54	38.05	5.05	-	18.03	1.93	0.43	1.50	-	100.00	THB	2.52
Enernxt Pvt. Ltd	2024-25		23.63	(0.81)	45.51	22.69	0.75	-	(0.71)	-	(0.71)	-	100.00	INR	
Thermax International Tanzania Limited	2024-25		1.96	4.99	10.25	3.31	-	21.38	7.03	2.11	4.92	-	100.00	USD	85.47
Thermax BioEnergy Solutions Private Limited	2024-25		25.00	(112.08)	188.63	275.70	3.95	569.71	(93.99)	1.35	(95.34)	-	65.00	INR	
First Energy 7 Private Limited	2024-25		18.82	0.15	63.78	44.81	1.51	6.38	0.58	(0.18)	0.40	-	71.00	INR	
First Energy 8 Private Limited	2024-25		77.36	(1.68)	439.86	364.18	1.30	-	(0.20)	-	(0.20)	-	100.00	INR	

Part "A" : Subsidiaries

(Rs. in Crore)

Name of the Subsidiary	Reporting period	Date of acquisition	Capital	Reserves	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of Share Holding	Reporting currency	Exchange rate as on 31st March 2025
First Energy Nine Private Limited	2024-25	1-Feb-24	4.78	(0.02)	15.94	11.18	-	0.81	0.07	0.03	0.04	-	100.00	INR	
First Energy 10 Private Limited	2024-25	23-Mar-24	10.00	(0.36)	9.97	0.33	-	-	(0.16)	-	(0.16)	-	100.00	INR	
First Energy 11 Private Limited	2024-25	29-Jul-24	0.01	(0.03)	0.01	0.03	-	-	(0.03)	-	(0.03)	-	100.00	INR	
TSA Process Equipements Private Limited	2024-25	19-Apr-24	1.37	36.85	108.39	70.17	0.01	129.34	3.58	1.30	2.28	-	51.00	INR	
Buildtech Products India Private Limited	2024-25	17-Dec-24	1.52	19.34	27.89	7.03	-	28.65	3.86	1.17	2.69	-	100.00	INR	
Thermax Vebro Polymers India Private Limited	2024-25		16.18	(4.98)	16.78	5.58	-	1.70	(4.76)	-	(4.76)	-	50.10	INR	
Thermax Chemical Solutions Pvt Ltd	2024-25		14.90	(0.27)	14.65	0.02	8.11	-	(0.12)	-	(0.12)	-	100.00	INR	

Notes:

- i) The annual accounts of the above Subsidiary Companies are open for inspection by any investor at the Company's Corporate Office and the Registered Office of the respective subsidiary companies;
- ii) Balance sheet figures of foreign subsidiaries are converted at an exchange rate prevailing on closing day of the financial year of the subsidiary for the purpose of this statement;
- iii) Statement of Profit and Loss figures of foreign subsidiaries are converted at an average exchange rate of the subsidiary for the purpose of this statement.
- iv) Thermax Chemical Solutions Pvt Ltd in FY 2024-25; the subsidiary has not started operations during the current financial year.

Part “B” : Associates

Statement pursuant to section 129(3) of the companies Act 2013 related to Associate companies (Rs. in Crore)

Name of the Associate	Latest audited balance sheet date	Date on which the Associate was associated	Shares of Associates held by the Company on the year end (No.of shares)	% of Share Holding (%)	Description of how there is significant influence (Refer note 5)	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year	
								Considered in consolidation	Not considered in consolidation
Exactspace Technologies Private Limited	31-Mar-25	25-Jan-22	43,192	15.17	Equity holding	Not Applicable	1.36	(0.14)	(0.78)
Covacsis Technologies Private Limited*	31-Mar-25	22-Jul-22	1,921	16.67	Equity holding	Not Applicable	0.46	(0.32)	(1.58)

\*During the year ended March 31, 2025, the Company executed a Share Purchase Agreement on March 26, 2025 with Infinite Uptime Inc., USA for the sale of the Company's entire investment in Covacsis. As a result, the investment has been reclassified and presented under 'Assets Held for Sale', in accordance with the requirements of Ind AS 105 "Non-current Assets Held for Sale". Accordingly, the Company has discontinued the application of the equity method from the date of the agreement, and the investment has been measured at the lower of its carrying amount and fair value less costs to sell as at the reporting date.