THERMAX LIMITED THERMAX HOUSE, 14 MUMBAI - PUNE ROAD, WAKDEWADI, PUNE 411 003, INDIA ☐ TEL.: +91 20 25542122, 25542263 ☐ FAX : +91 20 25541226
Website : www.thermaxglobal.com ☐ IT PAN - AAACT 3910D
Customer Care : 18002090115 (India Toll Free)

Corporate Finance

THERMAX

December 22, 2020

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051

Company Scrip Code: THERMAX EQ

Sub: Corrigendum to the Annual Report 2019-20

Dear Sir,

This is with reference to your letter no. NSE/LIST/16516 dated December 14, 2020 received to us via your email on December 16, 2020 seeking clarification on Non submission of reports/ disclosures in the annual report submitted for the year ended 31-Mar-2020. We wish to inform you that inadvertently we failed to incorporate the below mentioned para in the Corporate Governance Report on page number 81 as point 7 (M).

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

The above correction was published in the today's newspapers i.e. December 22, 2020 in Financial Express and Loksatta. Copy of the said newspaper cuttings are enclosed herewith.

Further, we wish to inform you that revised version of the Annual Report is already uploaded on the Company's website (https://www.thermaxglobal.com/wp-content/uploads/2020/12/Annual-Report-2020.pdf) and the same is also enclosed herewith.

We sincerely regret the inconvenience caused to you in this matter.

Thanking you,

Yours faithfully,
For **THERMAX LIMITED**

Kedar P. Phadke
Company Secretary

Membership No: F3349

Encl: As above

KERALA WATER AUTHORITY e-Tender Notice

Tender No : SE/PHC/MPM/75/2020-21. JJM -RWSS Areekode - Retrofitting and Augmentation - Updating pumping and filtration arrangement and Providing FHTCs - Malappuram District EMD : Rs. 200000, Tender fee : Rs. 11800, Last Date for submitting Tender : 12-01-2021 03:00:pm, Phone : 04832734871.
Website : www.kwa.kerala.gov.in., www.etenders.kerala.gov.in.

Superintending Engineer
PH Circle, Malappuram

KWA-JB-GL-6-655-2020-21

Industrial And Prudential Investment Company Limited
CIN: L65990WB1913PLC218486
Paharpur House, 8/1/B Diamond Harbour Road , Kolkata 700 027
Telephone no 033 4013 3000 , E mail id : contact@industrialprudential.com
Website: www.industrialprudential.com

NOTICE

ANNOUNCEMENT OF POSTAL BALLOT RESULT

Notice is hereby given that pursuant to the provisions of section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Company had conducted voting through Postal Ballot for passing the following resolutions.

Based on the Scrutinizer's Report dated 21st December, 2020, the result of Postal Ballot is as under:

Particulars of the resolutions	Total no. of votes cast	No. of shares and % of total votes cast in favour		No. of shares and % of total votes cast in against	
	No. of shares	No. of shares	% of votes	No. of shares	% of votes
Ordinary Resolution - Cancellation of Forfeited shares	11,61,030	11,61,030	100	0	0
Special Resolution- Buyback of shares of the company	11,61,030	11,60,994	99.0069	36	0.0031

The above resolutions have been passed with requisite majority.

For **Industrial and Prudential Investment Co. Ltd.**

Sd/-
Ayan Datta
Company Secretary

Place: Kolkata
Date: 21/12/2020

GANON PRODUCTS LIMITED

("Formerly known as Ganon Trading and Finance Co. Limited")
Registered Office: Unit No 1207, B Wing, One Bkc Building, Plot No C – 66, G Block, BandraKurla Complex, Bandra East Mumbai 400051.
CIN: L51900MH1985PLCO36708
Email I'd: ganontrading@gmail.com; ganonproducts@gmail.com
Web-site: www.ganonproducts.comTel: 022 61340914

Notice for Annual General Meeting

Dear Shareholder(s),

Notice is hereby given that the 35th (Thirty Fifth) Annual General Meeting of Members of the Company will be held on Wednesday, 30th December 2020 at 11:00 A.M. (IST) at Registered Office of the Company situated at Unit No. 1207, B Wing, ONE BKC Building, Plot No. C 66, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051 to transact the business as stated in the Notice sent to Members at their registered addresses together with Audited Annual Accounts of the Company for the financial year ended 31st March, 2020.

a) **Closure of Register of Member and Share Transfer Book**

Further the Register of Members and Share Transfer Books of the Company shall remain closed from 23rd December, 2020 to 30th December 2020 (both days inclusive) for the purpose of ascertaining the Members for Annual General Meeting.

b) **Cut-off Date for E-voting on AGM**

Further in terms of the Regulation 44 of the SEBI (LODR) Regulations, 2015 and pursuant to Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company has fixed 22nd December, 2020 (Tuesday) as the Cut-off date to record the entitlement of the member(s) to cast his/her vote electronically through remote e-voting for Annual General Meeting (AGM) schedule to be held on 30th December 2020. The remote e-voting shall commence on Sunday, 27th December, 2020 (9:00 AM IST) and ends on Tuesday, 29th December 2020 (5:00 PM IST).

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 22nd December 2020. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of e-voting / Poll.

Any person who become members of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 22nd December 2020 may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at evoting@nsdl.co.in with a copy to ganonproducts@gmail.com. However, if you are already registered with NSDL for e-voting, you can use your existing User ID and password for casting your vote.

The facility for voting through ballot / polling paper shall be made available at the AGM, to all the members attending the AGM, who have not opted evoting facility. Further, the members who have opted evoting facility may also attend the AGM but shall not be entitled to cast their vote again at the AGM. Kindly note that members can opt for only one form of voting i.e. either by Ballot Forms or through e-voting. If members are opting for e-voting then they should not vote by Ballot Forms and vice-versa.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.comor call on toll free no.: 1800-222-990.

Members may also note that the Notice of the 35th AGM and the Annual report for the FY 2019-20 will be available on the company's website i.e.www.ganonproducts.com.

The members who are holding shares in physical form are requested to intimate any change in their address with pincode immediately either to the Company or to the Registrar & Share Transfer Agent.

b) The members who are holding shares in demat form are requested to intimate any change in their address with pincode immediately to their Depository Participants

By Order of the Board

For **Ganon Products Limited**
(Formerly Known as Ganon Trading and Finance Co. Limited)
Sd/-
Hari Prasad Agrawal
Managing Director and CFO

Mumbai
20th December 2020

Corporate profits at all-time high in Sept quarter: Crisil

PRESS TRUST OF INDIA
Mumbai, December 21

CORPORATE PROFITS ROSE 15% to touch an all-time high in the September quarter as margins widened on softer input costs and better utilistaion levels, the research arm of rating agency Crisil said on Monday.

From an absolute perspective, the Ebitda touched an all-time high of ₹1.60 lakh crore in the September quarter, as against ₹1.02 lakh crore in the preceding June quarter, it said.

The trend of companies' profits growing even as the economy contracts as a result of the pandemic has led some watchers to express concern, claiming that this is illustrative of widening inequalities.

Crisil, which analysed a sample of 800 listed entities comprising 85% of NSE's market cap in sectors excluding banking and finance and oil and gas, said improving utilisation levels, along with better management of power, fuel and raw material cost by large companies contributed to the handsome profit growth.

Aggregate operating profit margins improved by over 1% despite a rise in raw material cost during the quarter, it said.

From an employee costs perspective, which is leading to the concerns, it said 370 manufacturing firms in its sample showed a contraction of 4%, while the same for service sector reported a "moderate growth".

The growth in profits came even as the revenues did not go up, the report said, pointing out that the topline was "stable" in Q2 as compared to the year-ago period after falling 29% in the April-June quarter.

India can inoculate priority groups by June 2021, says Fitch Solutions

PRESS TRUST OF INDIA
New Delhi, December 21

A VACCINE AGAINST Covid-19 can cover priority groups in India by June next year if inoculation is quickly ramped up to roughly the same level as the one million coronavirus tests conducted each day in the country, Fitch Solutions said on Monday.

"India's role in the global Covid-19 vaccine rollout will be significant both as a recipient of the medicine as well as a producer," Fitch said in a report. India, it said, has one of the largest vaccine manufacturing capacities in the world and has secured authorisation to mass-produce the AstraZeneca, Novavax and Gamaleya Research Institute vaccines.

With a population of 130 crore (and 9.4 crore over 65-year-olds), the domestic vaccination drive will be the largest in the world. "The country has a good track record of such drives with masses of the population regularly gaining inoculation for various diseases such as polio and cholera," it said.

India's vaccine rollout will begin in first quarter of 2021 (January to March), with frontline healthcare workers and individuals over the age of 50 years gaining priority.

Fitch said the government aims to vaccinate 25 crore people over six-to-eight months, which is "a lofty goal". "However, if India can quickly ramp up vaccinations to roughly the same level as the one million (10 lakh) tests it conducts each day, then we expect coverage across priority groups can be achieved by June 2021," it said.

Night curfew in Maha cities from today

PRESS TRUST OF INDIA
Mumbai, December 21

AHEAD OF THE Christmas and New Year celebrations, the Maharashtra government on Monday declared a night curfew — from 11 pm to 6 am — in municipal corporation areas from December 22 to January 5 as a precautionary step amid growing concerns over a new coronavirus variant in Britain.

It has also been decided on compulsory 14-day institutional quarantine for those who arrive at the state's airports from European and West Asian countries from Monday. The decisions were taken after CM Uddhav Thackeray held a review meeting in the light of the situation in the UK.

Solar power tariff dips to all-time low of ₹1.99/unit

PRESS TRUST OF INDIA
New Delhi, December 21

SOLAR POWER TARIFF has dropped to an all-time low of ₹1.99 per unit in an auction of projects of 500 MW capacity by Gujarat Urja Vikas Nigam last week, as per a source.

State-run power giant NTPC (200MW), Torrent Power (100MW), Saudi Arabian firm Al Jomaih Energy and Water (80MW) and Aditya Birla Renewable (120MW) have emerged as the lowest bidders, the source said.

Solar power tariff had dropped to record low of ₹2 per unit in an auction for 1,070 MW projects conducted by the Solar Energy Corporation of India (SECI) last month. Al Jomaih Energy and Water, and Sembcorp Energy India arm Green Infra Wind Energy had emerged as the lowest bidders.

PUBLIC NOTICE

NOTICE REGARDING UNTRACEABLE SHARE CERTIFICATE(S) OF SVC CO-OPERATIVE BANK LTD REGD. OFFICE AT SVC TOWER, NEHRU ROAD, VAKOLA, SANTACRUZ EAST, MUMBAI – 400055 :

The registered holder(s) of the under mentioned shares held in the above said company, hereby give notice that the share certificate(s) in respect of the said shares have been untraceable and we have applied to the SVC Co-operative Bank Ltd. for issue of duplicate share certificate(s). Any person having claim in respect of the said shares should lodge such claims with the Company at its above referred address within 15 days from this date, else the Company will proceed to issue duplicate certificate(s) and no further claim will be entertained by the Company thereafter.

Folio No.	Cert. No.	Distinctive nos.	No. of shares
0104431	135459	6306058-6306157	100
0104431	137129	6407796-6409695	1900
0104431	152163	8278336-8280335	2000

Date: December 21, 2020
Place: Mumbai

Sd/-
Authorised Signatory

THERMAX

THERMAX LIMITED

Registered Office: D-13, MIDC Industrial Area, R.D. Aga Road, Chinchwad, Pune – 411 019
Corporate Office: Thermax House, 14, Mumbai - Pune Road, Wakdewadi, Pune – 411 003
Corporate Identity Number (CIN): L29299PN1980PLC022787
Email ID: cservice@thermaxglobal.com Website: www.thermaxglobal.com Tel no: 020-66051200

CORRIGENDUM TO THE ANNUAL REPORT 2019-20

This is with reference to the Annual Report for financial year 2019-20 of Thermax Limited, the stakeholders are requested to take note of the below mentioned modification with respect to the Corporate Governance Report addition of point 7(M) on page number 81.

Dividend Distribution Policy (DDP):

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

The corrigendum should be read in conjunction with the said Annual Report. This corrigendum and updated version of the said Annual Report are available on the website of the Company www.thermaxglobal.com.

For Thermax Limited

Sd/-
Kedar P. Phadke
Company Secretary

Place : Pune
Date : December 21, 2020

राष्ट्रीय प्रौद्योगिकी संस्थान मेघालय
NATIONAL INSTITUTE OF TECHNOLOGY MEGHALAYA
Bijni Complex, Laitumkhrah, SHILLONG - 793003
Ph: 0364-2501215/2501294 Fax: 0364-2501113
Website: http://www.nitm.ac.in/

NIT Meghalaya invites sealed tenders in a two bid system and in prescribed format from established, reputed and experienced agencies for providing Outsourced Manpower Service in the Institute. Tender papers are to reach the undersigned **on or before 1:00 PM on 27.01.2021.**

Prescribed Tender documents, detailed fees and specifications, bid instructions and Terms & Conditions can be downloaded from the Institute website: **http://nitm.ac.in/**

Corrigendum/Addendum if any will be published in the website only.

Sd/- Registrar

PUBLIC ANNOUNCEMENT

(pursuant to Regulation 31(2) read with Regulation 12(3) of IBBI (CIRP Process) Regulation, 2016

FOR THE ATTENTION OF THE COMMITTEE OF CREDITORS (COC)
GLOBAL TOWERS NETCO LIMITED

Pursuant to Regulation 31 of the (2) of IBBI (Liquidation Process) Regulation, 2016, a public announcement is hereby made that the list of Modified Committee Of Creditors of Global Towers Limited (Corporate Debtor) has been Uploaded on the website of the Hon'ble NCLT, Mumbai Bench on December 16, 2020.

As there is no functional website of the Corporate Debtor, the said list of Modified Committee of Creditors can be inspected by sending a mail to the following email id : **lyd.globaltowers@gmail.com.**

The Modified Committee of Creditors may note that any modification of entry in the list of Committee of Creditors as filed before the Hon'ble NCLT, Mumbai Bench shall be made subject to approval of Hon'ble NCLT, Mumbai.

Sd/-
Laxmikant Yeshwant Desai
Resolution Professional for Global Towers Limited
IBBI Registration No: IBBI/IPA-001/IP-P01669/2019-2020/12641
Communication address : 503 Atharva Society, M B Raut Road, Shivaji Park, Dadar West, Mumbai 400028
Cell : +91 9920203366 Email ID : lyd.globaltowers@gmail.com

Date : December 22, 2020

GOVERNMENT OF TAMIL NADU
VELLORE CORPORATION
Corporation Office, Vellore

Roc.No.6209 /2018/S1 **RETENDER NOTICE** Date : 18.12.2020

The Commissioner, Vellore Corporation invites tenders in two cover system for the following works as per the conditions laid down in the tender notice published in website **https://tntenders.gov.in.**

	Name of the Work (Smart City Mission)	Estimate Cost Rs. in Lakhs	EMD Cost Rs.	Period for Completion
1	Design, Built, Operate & Transfer of Sound and Light show with Operation and Maintenance for 3-Years at Vellore Fort in Vellore Corporation	936.00	9,36,000/-	6–Months
2	Pre-Bid Conference	13.01.2021 at 11.00am at The Chamber of City Engineer Vellore Corporation.		
3	Date and time and venue of Tender	25.01.2021 Monday 3.00 pm at Vellore Corporation		
4	Date, Time and Venue of opening	25.01.2021 Monday 3.30pm at Vellore Corporation Office		
5	Tender document availability and other details	Other Details can be obtained from the tender notice published in website **https://tntenders.gov.in** or from Vellore Corporation Office, Engineering section during working hours on working days.		

For contact : 0416 - 2220578 DIPR/4799/TENDER/2020 Commissioner, Vellore Corporation

Congress leader Motilal Vora passes away at 92

PRESS TRUST OF INDIA
New Delhi, December 21

VETERAN CONGRESS LEADER Motilal Vora, a staunch Gandhi family loyalist who had a political career spanning almost five decades, died at a hospital here on Monday following post-Covid complications, his family said. He was 92.

Vora was admitted to the Escorts Hospital in Okhla here a few days ago with a urinary infection. He developed a severe lung infection and was put on ventilator support, his family said. He completed 92 years on Sunday, they said. His last rites will be conducted on Tuesday in Durg in Chhattisgarh, where he stayed most of his life.

Vora, a two-time former chief minister of undivided Madhya Pradesh and a former governor of Uttar Pradesh, had served as a Rajya Sabha member four times and as a Lok Sabha member once.

President Ram Nath Kovind, Vice President M Venkaiah Naidu, Prime Minister Narendra Modi and several political leaders including former prime minister Manmohan Singh, Congress president Sonia Gandhi and former Congress chief Rahul Gandhi paid tributes to the departed leader.

Govt identifies new routes for ferry, RO-RO services

THE GOVERNMENT ON Monday said it has identified new routes for ferry and RO-RO (Roll-on Roll-off) services, including at Somnath Temple, Hazira, Okha and Jamnagar, the government said on Monday. The Ministry of Ports, Shipping and Waterways, under its Sagarmala project, has also identified six international routes, connecting Chattogram (Bangladesh), Seychelles (East Africa) Madagascar (East Africa) and Jaffna (Sri Lanka) from Indian coastal port towns. **—PTI**

...continued from previous page

10. SUMMARY OF CONTINGENT LIABILITIES

A summary of our contingent liabilities as on June 30, 2020 and March 31, 2020 are as set out below:

(Rs. in lakh)

Particulars	At at June 30, 2020	As at March 31, 2020
Claims against our Company not acknowledged as debt	15.00	15.00
Disputed excise and service tax liability	25.97	25.97
Disputed Value added tax and Central Sales Tax liability	14.92	12.93
Total	**55.89**	**53.90**

11. SUMMARY OF RELATED PARTY TRANSACTIONS

For details regarding related party transactions of our Company, please refer to the *"Audited Financial Statements"* above.

12. CHANGE IN ACCOUNTING POLICIES

Nil

13. DETAILS OF GROUP COMPANIES

Our Company has disclosed the information about its Group Companies in the Information Memorandum dated December 21, 2020. For details, please refer the section *"Our Group Companies"* beginning on page 72 of the Information Memorandum.

14. INTERNAL RISK FACTORS

i. ***The Company was incorporated on March 27, 2019 and there may be certain uncertainties in the integration of the Demerged undertaking into a newly incorporated entity, such as our Company.***

The Company was incorporated on March 27, 2019 and commenced business from the Effective Date of the Scheme which provided for the transfer of the Demerged Undertaking to us as a going concern. Accordingly, there may also be certain uncertainties in the integration of the Demerged Undertaking into a newly incorporated entity such as our Company. While post the Effective Date, all the employees, including experienced personnel in the Demerged Undertaking have been transferred to the Company, the Company may be unable to effectively integrate the Demerged Undertaking, and efficiently operate the consequent business of the Company, thereby adversely impacting the results of the Company's operations and profitability of the business. Additionally, consequent upon completion of the Scheme, Privi Speciality Chemicals Limited *(formerly known as Fairchem Speciality Limited)* is required to effect transfer of, inter alia, properties, approvals, employees, existing contracts and intellectual property of the Demerged Undertaking to our Company. Inability to effect all such transfers in a timely manner may materially impact the ability of the Company to carry on and undertake business operations, in compliance with applicable laws.

ii. ***The corona virus disease (COVID-19) has had an adverse effect on our business and operations and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted.***

In the first half of calendar year 2020, COVID -19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, including in India where our operations are primarily based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning March 25, 2020. The lockdown remains in force in many regions, with limited and progressive relaxations being granted for movement of goods and people in other places and cautious re-opening of businesses and offices. However, in case the lockdown is reintroduced, it could result in subdued growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect our business, prospects, results of operations and financial conditions.

Our plant operations were impacted since March 25, 2020. However, we restarted our operations with effect from May 21, 2020 in compliance with the regulatory norms. Our Company is into B2B segment and our prime products are used in industry engaged in paint, printing ink, epoxy hardener, soap etc. While COVID-19 has directly affected our business and operations, there is significant uncertainty regarding the duration and impact of the COVID-19 pandemic, as well as possible future responses, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our customers at this time.

Further, as COVID-19 may adversely affect our business and results of operations, it may also have the effect of exacerbating many of the other risks described in the "Risk Factors" section beginning on page 13 of the Information Memorandum.

iii. ***Our Company's business is dependent on its manufacturing facility. The loss of or shutdown of operations at our manufacturing facility may have a material adverse effect on its business, financial condition and results of operations.***

Our manufacturing facility is situated at 253/P and 312, Village Chekhala, Sanand – Kadi Highway, Taluka Sanand, District Ahmedabad – 382 115, Gujarat. This manufacturing facility is subject to operating risks, such as the breakdown or failure of equipment, power supply, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, continued availability of services of the external contractors, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

In the event of shutdown of operations at our manufacturing facility due to the factors mentioned above may adversely affect our business, financial condition and results of operations.

iv. ***Our Company's inability to manage growth may lead to loss of opportunities and may hamper our Company's future growth plans.***

Our Company may not pursue its business strategy in future. Our Company may be subject to growth related risks including capacity constraints and pressure on internal systems and controls. Its inability to deal with this growth could have material adverse impact on its business, operations and prospects. In order to manage its current operations and any future growth effectively, our Company has to continue to implement and improve its operational, financial and management information systems and to retain its employees. There can be no assurance that it will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support our Company's operations so that it will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth. Any failure on Company's part to scale up its infrastructure and management to meet the challenges of rapid growth could cause disruptions to its business and could be detrimental to its long-term business prospects. The products manufactured by the Company find application in various industries. The growth rate in these industries is crucial for our Company's growth. The major demand for its products arises primarily due to the growth of these user industries. Any downward trend in any of these industries can affect our Company s turnover and profitability.

v. ***Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.***

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees. If we are unable to hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We may face issues integrating employees from the Demerged Undertaking into our Company. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Our inability to attract and retain talented professionals, or the resignation or loss of key operations personnel, may have an adverse impact on our business and future financial performance.

vi. ***The insurance coverage taken by the Company may not be adequate to protect against certain business risks and this may have an adverse effect on the business operations.***

The Company's insurance coverage is likely to cover all normal risks associated with the operation of the business but there can be no assurance that any claim under the insurance policies maintained by it will be honored fully or in part or on a timely basis. To the extent that the Company suffers loss or damage that is not covered by insurance or exceeds its insurance coverage, the Company's financial performance and cash flow may be adversely affected.

vii. ***If we are not able to procure, renew or maintain, as the case may be, the statutory or regulatory permits or third-party approvals required to operate our business or effectively transfer and integrate the Demerged Undertaking, it may have a material adverse effect on our business.***

We require certain statutory and regulatory permits and approvals to operate our business. We are also required to renew certain permits and approvals from time to time. Similarly, the effective transfer and integration of the Demerged Undertaking may be subject to the receipt of various statutory and regulatory approvals and other third party consents. While we believe that we will be able to procure or renew such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any or all requisite permits or approvals in the time-frame anticipated by us. Failure to procure, renew or maintain the required permits or approvals may result in the interruption of our operations or delay or prevent our vertical integration, and may have a material adverse effect on our business, financial condition and results of operations. Further, change in law or any change in the interpretation of an existing law since the date of filing of the Scheme with the NCLT, if any, may also impact our ability to procure any necessary consents or approval for transfer of the Demerged Undertaking.

15. OUTSTANDING LITIGATIONS AND DEFAULTS OF THE TRANSFEREE ENTITY, PROMOTERS, DIRECTORS OF ANY OF THE GROUP COMPANIES

In accordance with SEBI ICDR Regulations, our Company has disclosed the outstanding litigations and defaults of our Company, its Subsidiaries, Promoters, Directors and Group Companies in the Information Memorandum dated December 21, 2020. For details, please refer the section *"Outstanding Litigations and Material Developments"* beginning on page 78 of the Information Memorandum.

16. REGULATORY ACTION, IF ANY - DISCIPLINARY ACTION TAKEN BY SEBI OR STOCK EXCHANGES AGAINST OUR PROMOTERS IN LAST 5 FINANCIAL YEARS

There are no regulatory proceedings or disciplinary actions, taken by SEBI or stock exchanges against our Promoters in the last five financial years including any outstanding action. For details, please refer the section *"Outstanding Litigations and Material Developments"* beginning on page 78 of the Information Memorandum.

17. BRIEF DETAILS OF OUTSTANDING CRIMINAL PROCEEDINGS AGAINST OUR PROMOTERS

There are no outstanding criminal proceedings against our Promoters. For details, please refer the section *"Outstanding Litigations and Material Developments"* beginning on page 78 of the Information Memorandum.

18. PARTICULARS OF HIGH, LOW AND AVERAGE PRICES OF THE SHARES OF THE LISTED TRANSFEROR (i.e., PRIVI SPECIALITY CHEMICALS LIMITED *(FORMERLY KNOWN AS FAIRCHEM SPECIALITY LIMITED)* DURING THE PRECEDING THREE YEARS

	BSE Limited			National Stock Exchange of India Limited		
Period	High Price (Rs)	Low Price (Rs)	Average Price (Rs)	High Price (Rs)	Low Price (Rs)	Average Price (Rs)
Fiscal 2018	556.60	366.00	443.60	557.40	360.00	454.24
Fiscal 2019	493.00	320.00	386.84	496.00	320.20	393.98
Fiscal 2020	747.80	360.00	498.36	748.05	355.05	511.81

**Average price represents the average of the closing prices of all trading days of each year presented.*

19. MATERIAL DEVELOPMENTS AFTER THE DATE OF BALANCE SHEET

There are no material developments after the last balance sheet of our Company as at June 30, 2020.

For Fairchem Organics Limited

Sd/-
Rajen Jhaveri,
Chief Financial Officer,
Company Secretary & Compliance Officer

Date: December 21, 2020
Place: Chekhala,
Taluka Sanand

9

Adfactors 705

टाटा कॅपिटल हाऊसिंग फायनान्स लि.

नोंदणी.कार्या.: 11 वा मजला, टॉवर ए, पेनिन्सुला बिझनेस पार्क, गणपतराव कदम मार्ग, लोवर परेल, मुंबई - 400013.
शाखा कार्यालय:1 ला मजला, एफसी अनेक्स बिल्डीग, फर्ग्युसन कॉलेजसमोर, शिरोळे रोड, भांबुर्डा, पुणे411005.

23.12.2020 रोजी निर्धारित ई-लिलाव विक्री रद्द झाल्याची सूचना (कर्ज क्र. 9449264 आणि 9449286)

सूचना ह्याद्वारे देण्यात येत आहे की औंध, **पुणे येथे वसलेल्या धनश्री कॉ-ऑप. हौ. सो. म्हणून ज्ञात असलेल्या इमारतीच्या दुसऱ्या मजल्यावरील सदनिका क्र. 5(पाच) च्या स्थावर मालमत्तेच्या ई-लिलाव विक्रीसाठी सूचना. फायनान्शियल एक्स्प्रेस आणि लोकसत्ता मध्ये 07.12.2020** ह्या प्रसिद्ध वृत्तपत्रामध्ये उपरोक्त नमूद सुरक्षित संपत्तीचा लिलाव प्रसिद्ध झाला होता तो ह्याद्वारे पुढील सूचना मिळेपर्यंत रद्द करण्यात आला आहे.

दिनांक : 22.12.2020 — सही/-प्राधिकृत अधिकारी
ठिकाण : पुणे — टाटा कॅपिटल हाऊसिंग फायनान्स लि.

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या टेंडर मध्ये होणाऱ्या संशोधनां सहित शुद्धिपत्र / संशोधन हे केवळ बँकेच्या वेबसाईटद्वारे सुचित करण्यात येतील. बोलीकर्त्यांना विनंती आहे की आपली बोली प्रस्तुत करण्याआधी ह्याचा संदर्भ घ्यावा.

ऑनलाइन बोली प्रस्तुत करण्याची अंतिम तिथी 12 जानेवारी 2021 दुपारी तीन वाजेपर्यंत आहे.

स्थान: मुंबई — **महाप्रबंधक आणि प्रमुख**
दिनांक: 22.12.2020 — **(एफएम, सीओए, डीएमएस आणि पीडी)**
65/20-21

जाहिर नोटीस

तमाम लोकांस कळविण्यात येते की, श्री.संजय बाबुराव जोगदंड, सौ.दिपाली अच्चुतराव कांदे, श्री.गजानन लिंगारेडडी तिपन्नवार व सौ. सुनिता अशोक पिंपळगावकर, राहणार तरोडा खुर्द, नांदेड, पुणे-४३१६०५ यांच्या म्हणण्याप्रमाणे तुकडी पुणे, पोट तुकडी व तालुका हवेली, जिल्हा पुणे, मे. दुय्यम निबंधक हवेली, गाव वाघोली, येथील गट नं.१५३२, क्षेत्र ०० हेक्टर ७६ आर पैकी विभक्त क्षेत्र ०० हेक्टर ३८ आर यांसी चतुःसिमा पूर्वेस - गट नं.१५३२ पैकी उर्वरीत क्षेत्र, दक्षिणेस - गट नं.१५३१, पश्चिमेस - गट नं.१४५८+१४५९+१४६०+१४६१+१४६२+१४६३+१४६४+१४६५/प्लॉट नं.१, उत्तरेस - गट नं.१५२६, ही मिळकत त्यांची स्वकष्टार्जित उत्पन्नातून खरेदी घेतलेली आणि त्यांचे नावावर महसुल दप्तरी मालक व कब्जेदार सदरी दाखल असलेली निर्वेध, निजोखमी, बोजारहीत मिळकत असल्याचा व त्यांना वरील मिळकतीबाबत पणनयोग्य हक्क (मार्केटेबल टायटल) असल्याचे त्यांचे म्हणणे असल्याने, वरील मिळकत मालकाचे वरील मिळकतीबाबत त्यांना असलेल्या पणनयोग्य हक्काची तपासणीचा भाग म्हणून प्रस्तुतची जाहीर नोटीस प्रसिद्ध करण्यात येत आहे.

तरी कोणाही इसम, संघटना, भागीदारी फर्म, संस्था (कंपनी किंवा इतर) कोणाचाही वरील मिळकतीवर वा त्यांच्या कोणत्याही भागांवर खरेदी, गहाण, अदलाबदल, भाडेहक्क, कौटुंबिक व्यवस्था, बोजा, पट्ट्याने, अधिकार, वारसा, बक्षिस, विश्वस्त अधिकार, निर्वाह अधिकार, विकसन अधिकार, समझोता करार, करारनामा, तडजोड, अभिहस्तांकन, ताबा, वहिवाटीचे अधिकार वा कोणत्याही न्यायिक/अर्धन्यायिक न्यायालयाचे आदेश, हुकूम, इत्यादी वा इतर कोणत्याही प्रकारचा हक्क असल्यास त्यांनी प्रस्तुतची नोटीस प्रसिध्द झाल्यापासून १५ दिवसांचे आत परस्पर कोणत्याही वर्तमानपत्रात हरकत न देता (वर्तमानपत्रात हरकत प्रसिध्द केल्यास ग्राह्य धरली जाणार नाही), मूळ आणि/किंवा साक्षांकित कागदपत्रानिशी खालील पत्यावर लेखी हरकत देऊन पोच घ्यावी, अन्यथा वरील मिळकतीवर कोणाचाही, कोणत्याही प्रकारचा कसलाही हक्क हितसंबंध नाही आणि यदाकदाचित असल्यास तो ही त्यांनी जाणीवपूर्वक सोडून दिला आहे, असे समजून वरील मिळकत मालकांना वरील मिळकतीबाबत पणनयोग्य हक्क असल्याचे ग्राह्य धरून आमचे अशिल खरेदीचा पुढील व्यवहार पुर्ण करतील. सदर मुदतीनंतर आलेल्या हरकती वा तक्रारी वरील मिळकतीवर वा मिळकतीच्या कोणत्याही हिश्यांवर वा मिळकत मालक वा त्यांचे अभिहस्तांकितींवर बंधनकारक राहणार नाहीत, याची दखल घ्यावी.

ठिकाण : पुणे, — दिनांक :२१/१२/२०२०.

अॅड. सुधाकर काळे बी.ए. (ऑनर्स),एलएल.एम.
सुधाकर काळे अॅन्ड असोसिएटस्
अॅडव्होकेट अॅन्ड सॉलिसिटर्स
अहिंसा अर्पाटमेंट, ७६८/१८, डेक्कन जिमखाना, पुणे - ४११००४.

जाहिर नोटीस

आमचे अशिलांनी सांगितल्यावरुन व माहिती दिल्यावरुन तमांम लोकास या जाहीर नोटीसीने कळविण्यात येते की, खालील परिशिष्टात नमूद केलेली मिळकत ही ऋषिकेश सहकारी गृहरचना संस्था मर्यादित रजि. नं. **PNA/HSG/632** दिनांक १७/०९/१९७०, पत्ता स.नं. ६२९/३ब/१, बिबवेवाडी, पुणे ४११०३७ व संस्थेचे सभासद यांचे मालकी व वहीवाटीची असून, सदर मिळकत त्यांचे प्रत्यक्ष कब्जे वहीवाटीत आहे. सदरची मिळकत वरील मालकांनीआमचे अशिलांना कायम स्वरुपी विक्री/तबदील/हस्तांतर/वर्ग करण्याबाबत बोलणी चालू आहेत. सदर मिळकत ही पूर्णपणे निर्वेध व निजोखमी असल्याची तसेच सदर मिळकतीत त्यांनी पणन योग्य हक्क व अधिकार असल्याची पूर्ण खात्री व भरवसाही त्यांनी आमचे अशिलांना दिला आहे. तरी सदर नोटीसीने सर्वांना सूचित करण्यात येते की, सदर मिळकतीवर अन्य कोणाचाही गहाण, दान, बक्षीस, लिज, लिन, पोटगी, मालकी, वारसा इ. स्वरुपाचा कोणताही हक्क, अधिकार वा बोजा असल्यास त्यांनी सदरची नोटीस प्रसिद्ध केल्यापासून ०७ (सात) दिवसाचे आत आमची तशी लेखी कागदपत्रानिशी खात्री पटवून द्यावी. अन्यथा सदर मिळकत ही पूर्णपणे निर्वेध व निजोखमी आहे. तिचे वर अन्य कोणाचाही कोणत्याही स्वरुपाचा हक्क व अधिकार नाही. व असल्यास त्यांनी तो जाणिवपूर्वक सोडून दिला आहे. असे समजून आमचे अशिल सदरचा व्यवहार पूर्ण करतील व त्यानंतर कोणाचीह हरकत वा तक्रार चालणार नाही. याची स्पष्ट नोंद घ्यावी.

मिळकतीचे परिशिष्ठ

मिळकतीचे वर्णन : तुकडी पुणे, पोट तुकडी तालुका पुणे शहर, मे सबरजिस्ट्रार साहेब हवेली क्रमांक १ ते २७ पुणे यांचे कक्षेतील तसेच पुणे महानगरपालिका यांचे कार्यकक्षेतील गाव मौजे बिबवेवाडी येथिल नक्षर भुमापन नंबर ४४५/७, (यांसी सर्व्हे नंबर ६२९/३ब/१) ऋषिकेश सहकारी गृहरचना संस्था मर्यादित मधील प्लॉट क्रमांक ३७ यांसी क्षेत्र ८१० चौ.फुट म्हणजेच ७५.२७ चौ.मीटर (रस्ता सोडून) हि प्लॉट मिळकत यांसी चतु:सिमा येणेप्रमाणे

पूर्वेस : प्लॉट नंबर ३६, **दक्षिणेस** : प्लॉट नंबर ३८, **पश्चिमेस** : अंतर्गत रस्ता, **उत्तरेस** : अंतर्गत रस्ता

येणेप्रमाणे चतु:सिमापूर्वक मिळकत त्यातील दगड, धोंडा, झाड, झाडोरा, माती, जल, तरु, काष्ट, पाषाण, निधी, निक्षेप इत्यादी तदंगभुत वस्तुसहीत व रस्त्याचे जाण्याचे व येण्याचे सर्व हक्कांसह वहीवाटीचे हक्कासुद्धा दरोबस्त.
येणेप्रमाणे ही नोटीस दिली.

अॅडव्होकेट सिध्दार्थ रमेश मोरे
ऑफिस नं. १०२, १ला मजला, शुभवास्तु,
पुणे दि. : २२/१२/२०२० — सीटीएस नं. १४१, गुरुवार पेठ, मामलेदार कचेरी मार्ग, पुणे ४२.

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लाभांश वितरण धोरण

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ताबा नोटीस
[अपेंडिक्स IV, अॅक्ट रुल ८(१) अंतर्गत]

ज्याअर्थी खाली सही करणार **बँक ऑफ महाराष्ट्रचे** अधिकृत अधिकारी यांनी, दि सिक्युरिटायझेशन अॅण्ड रिकन्स्ट्रक्शन ऑफ फायनॅन्शिअल अॅसेटस् अॅण्ड एन्फोर्समेंट ऑफ सिक्युरिटी इंटरेस्ट अॅक्ट २००२ आणि सिक्युरिटी इंटरेस्ट (एन्फोर्समेंट) रुल्स २००२ च्या सेक्शन १३(१२) व रुल ३ अंतर्गत प्राप्त अधिकारांचा वापर करून कर्जदार **श्री. सिराज रमजान मुलाणी**, मु.पो. दिवे, ता. पुरंदर, जि. पुणे आणि जामीनदार **श्री. रामदास पांडुरंग कुदळे**, रा.: ए-१२, अनमोल प्रस्टीज, तारादत्त पार्क, सासवड, ता. पुरंदर, जि. पुणे यांना **दि. ०१/०२/२०१८ रोजी मागणी नोटीस** बजावली होती की, त्यांनी सदर नोटीसीमध्ये नमूद केलेली, बँकेला येणे असलेली एकूण रक्कम **रु. ५,४१,२७०/- (रु. पाच लाख एक्केचाळीस हजार दोनशे सत्तर फक्त) अधिक त्यावरील लागू न केलेले व्याज** अशी सर्व रक्कम सदर नोटीस मिळालेल्या तारखेपासून ६० दिवसांच्या आत परत करावी.
कर्जदार तसेच जामीनदार सदर रक्कम परत करण्यास असमर्थ ठरल्याने कर्जदार तसेच जामीनदार आणि सर्वसाधारण जनता यांना नोटीस देण्यात येते की, खाली सही करणार यांनी सदर कायद्याच्या सेक्शन १३(४) व रुल ८ अंतर्गत प्राप्त अधिकारांचा वापर करून खाली नमूद केलेल्या मालमत्तेचा **दि. १६/१२/२०२० रोजी ताबा घेतला आहे.**
विशेषत: कर्जदार तसेच जामीनदार व सर्वसाधारण जनता यांना सावध करण्यात येते की, त्यांनी सदर मालमत्तेसंदर्भात कोणताही व्यवहार करू नये. असा व्यवहार केल्यास तो **बँक ऑफ महाराष्ट्र** यांना वर नमूद केलेल्या येणे असलेल्या रकमेच्या अधीन राहील.
सुरक्षित आस्ति सोडविण्यासाठी संलग्न उपलब्ध वेळेमध्ये कर्जदाराचे लक्ष सदर कायद्याच्या सेक्शन १३(८) अंतर्गत तरतुदींकडे वेधून घेतले जात आहे.

गहाण मालमत्तेचा तपशील

फ्लॅट नं. ११, ३ रा मजला, कृष्णा विहार, सी.एस.नं. १७६०/५बी, पुरंदर, पुणे आणि **चतु:सीमा: पूर्वेस:** मोकळी जागा, **दक्षिणेस:** मोकळी जागा व फ्लॅट नं. १२, **पश्चिमेस:** मोकळी जागा, **उत्तरेस:** टेरेस.

दिनांक : १६/१२/२०२० — **मुख्य प्रबंधक व अधिकृत अधिकारी,**
ठिकाण : पुणे — **बँक ऑफ महाराष्ट्र, सासवड शाखा**

प्रोवोग (इंडिया) लिमिटेड

परिसमापकाचा पत्ता : ७०२, जानकी सेंटर, दत्ताजी साळवी रोड, वीरा देसाई रोड लगत, अंधेरी (प), मुंबई-४०० ०५३
संपर्क : +९१ ६३६७०९९९९३; ईमेल : **cirp.provogue@gmail.com**

नादारी व दिवाळखोरी संहिता, २०१६ अंतर्गत ई-लिलाव

लिलावाची तारीख व वेळ : २२ जानेवारी २०२१ (शुक्रवार) रोजी स. ११:०० ते दु.०१.०० (प्रत्येकी ५ मिनिटांच्या अमर्यादित विस्तारासह)

परिसमापन विनियमांच्या विनियम ३३ यासह वाचलेल्या आयबीसी, २०१६च्या कलम ३५(एफ) अंतर्गत प्रोवोग (इंडिया) लिमिटेडच्या (परिसमापनातील) मत्तेची विक्रि. ई-लिलावाचे आयोजन "जसे आहे जेथे आहे, जसे आहे जे काही आहे, जे काही आहे तेथे आहे आणि कोणत्याही आधाराशिवाय" या तत्वावर करण्यात येणार आहे.
विक्रिचे आयोजन **https://ncltauction.auctiontiger.net** या वेबसाईटद्वारा ई-लिलाव सेवा-पुरवठाकार मेसर्स ई-प्रोक्युअरमेंट टेक्नॉलॉजीस लिमिटेड - ऑक्शन टायगर यांच्या द्वारा निम्नस्वाक्षरीकारामार्फत करण्यात येणार आहे. (रक्कम आयएनआरमध्ये)

अनु क्र.	मत्ता	एरिआ	राखीव किंमत	इरठे रक्कम	बोली वृद्धी रक्कम
१.	कमर्शिअल ऑफिस प्रिमायसेस येथे स्थित :- १०५/१०६, तळमजला, ड्रिमस्क्वेअर बिल्डिंग, न्यू लिंक रोड लगत, अंधेरी (प), मुंबई-४०० ०५३ (लगतच्या कॉम्प्लेक्समधील ११ कार पार्कससह - "लोटस बिझीनेस पार्क")	१०,०८० चौ.फू.	१६,२६,१५,६००	१,६३,००,०००	८,५०,०००
२.	फर्निचर व फिक्चर्स आणि ऑफिस इक्विपमेंट्ससह कमर्शियल ऑफिस प्रिमायसेस येथे स्थित :- १०५/१०६, पहिला मजला, ड्रिमस्क्वेअर बिल्डिंग, न्यू लिंक रोड लगत, अंधेरी (प), मुंबई-४०० ०५३ (लगतच्या कॉम्प्लेक्समधील ८ कार पार्कससह - "लोटस बिझीनेस पार्क")	६,७२० चौ.फू.	८,९७,००,३९५	९०,००,०००	४,५०,०००

पात्रता कागदपत्रांच्या सादरीकरणाकरिता शेवटची तारीख : १३ जानेवारी २०२१ (बुधवार)
इन्फर्मेशन शेअरिंग, साईट व्हिजीट, चर्चासत्राकरिता शेवटची तारीख : १८ जानेवारी २०२१ (सोमवार)
इरठेच्या सादरीकरणाकरिता शेवटची तारीख : १९ जानेवारी २०२१ (मंगळवार)
ई-लिलावाची तारीख व वेळ : २२ जानेवारी २०२१ स.११:०० ते दु.०१:००
नोंद : सविस्तर शर्ती व अटी, ई-लिलाव बोली कागदपत्रे, घोषणा व अन्य ऑनलाईन लिलाव विक्रिचा तपशील **https://ncltauction.auctiontiger.net** या वेबसाईटवर तसेच **http://corporate.provogue.com** या कंपनीच्या वेबसाईटवर उपलब्ध आहे.
कोणत्याही स्पष्टिकरणाकरिता, कृपया **cirp.provogue@gmail.com** यावरुन निम्नस्वाक्षरीकाराशी संपर्क साधावा.

स्वाक्षरी/-
सीए अमित गुप्ता
प्रोवोग (इंडिया) लिमिटेडचे परिसमापक म्हणून
दिनांकित १४ ऑक्टोबर २०१९ आदेशाद्वारा
आयबीबीआय नोंदणी : आयबीबीआय / आयपीए-००१ / आयपी-पी०००१६ / २०१६-१७ / १००४०
तारीख : २२ डिसेंबर २०२० — पत्ता : ७०२, जानकी सेंटर, दत्ताजी साळवी रोड, वीरा देसाई रोड लगत, अंधेरी (प), मुंबई-४०० ०५३
स्थळ : मुंबई — ईमेल : **cirp.provogue@gmail.com**

टाटा कॅपिटल हाऊसिंग फायनान्स लि.

नोंदणी.कार्या.: 11 वा मजला, टॉवर ए, पेनिन्सुला बिझनेस पार्क, गणपतराव कदम मार्ग, लोवर परेल, मुंबई - 400013.
शाखा कार्यालय:1 ला मजला, एफसी अनेक्स बिल्डीग, फर्ग्युसन कॉलेजसमोर, शिरोळे रोड, भांबुर्डा, पुणे411005.

23.12.2020 रोजी निर्धारित ई-लिलाव विक्री रद्द झाल्याची सूचना (कर्ज क्र. 9449253 आणि 9449231)

सूचना ह्याद्वारे देण्यात येत आहे की **सिद्धार्थ नगर कॉ-ऑप. हौ. सो. लि., फेज- 2 सीटीएस क्र. 2569, सर्वे क्र. 1 औध, पुणे 411007 मधील इमारत क्र. 14 ई-1च्या 'ई' विंगच्या 14 व्या मजल्यावरील सदनिका क्र. 24च्या स्थावर मालमत्तेच्या ई-लिलाव विक्रीसाठी सूचना. फायनान्शियल एक्स्प्रेस आणि लोकसत्ता मध्ये 07.12.2020** ह्या प्रसिद्ध वृत्तपत्रामध्ये उपरोक्त नमूद सुरक्षित संपत्तीचा लिलाव प्रसिद्ध झाला होता तो ह्याद्वारे पुढील सूचना मिळेपर्यंत रद्द करण्यात आला आहे.

दिनांक : 22.12.2020 — सही/-प्राधिकृत अधिकारी
ठिकाण : पुणे — टाटा कॅपिटल हाऊसिंग फायनान्स लि.

भारतीय विज्ञान शिक्षा एवं अनुसंधान संस्थान पुणे
INDIAN INSTITUTE OF SCIENCE EDUCATION AND RESEARCH PUNE
(शिक्षा मंत्रालय, भारत सरकार का स्वायत्त संस्थान)
डॉ. होमी भाभा मार्ग, पुणे - 411 008 I www.iiserpune.ac.in
IISER PUNE

ई-निविदा आमंत्रण सूचना (ई-खरीद पद्धति)

संस्थान संयुक्त श्रेणी में केन्द्रीय लोक निर्माण विभाग, महाराष्ट्र राज्य लोक निर्माण विभाग, एमईएस विभाग के साथ पंजीकृत अनुमोदित और योग्य ठेकेदारों से खुली बोली प्रणाली में ऑनलाइन मद दर बोली आमंत्रित करता है, जो **NAME OF WORK:- ELECTRIFICATION OF 60 NOS. CAMPUS STREET LIGHT AT IISER PUNE** हेतु बोली के लिए अनुमानित लागत रु. 8.75 लाख रखते हैं'' तथा इस कार्य हेतु एनआईटी के खंड 2 एवं 3 के अनुसार योग्य पाया जाना चाहिए। बयाना जमा राशि रु. 17500/- है। कार्य पूरा करने की अवधि 2 महीने है।
निविदा दस्तावेज केन्द्रीय सार्वजनिक खरीद पोर्टल (सीपीपी) **http://eprocure.gov.in/eprocure/app** या **www.iiserpune.ac.in** से डाउनलोड किए जा सकते हैं। बोली दिनांक 29.12.2020 अपराह्न 03.00 बजे तक या उससे पहले सीपीपी के माध्यम से केवल ऑनलाइन प्रस्तुत की जाए।
सं.: 12/आईआईएसईआर/पुणे/2020-21 — कुलसचिव

INDIAN RED CROSS SOCIETY
Pune District Branch
Regd. Office : Red Cross House, 11, M.G. Rd., Pune 411 001
Administrative Office : 593/2, Rasta Path, Pune 411011
Ph : 26067974/7304922244, E-mail : ircspune@gmail.com

QUOTATION NOTICE

Quotations from reputed civil contractors having experience in structural and allied repairs are invited for civil and allied repairs and waterproofing for buildings at Red Cross House 11, M.G. Road and 593/2, Rasta Peth, Pune as per Structural Auditor's report available on mail on request. Contractors should visit sites before filing quotation. Last date of submission of quotation will be within 10 days from publication of this advertisement. The Society reserves right to accept or reject a quotation without assigning reasons therefor. Please respond on email I.D. as above.

Hon. Secretary

शिवशक्ती नागरी सहकारी पतसंस्था मर्यादीत, सेक्टर २५/१०, सिंधुनगर, प्राधिकरण, पुणे ४४.

स्थावर मालमत्ता ताबा नोटीस
(महाराष्ट्र सहकारी संस्था नियम १९६१ चे कलम १५६ व महाराष्ट्र सहकारी संस्थांचा नियम १९६१ मधील नियम १०७ पोट नियम (११(ड-१) उपनियमाअन्वये)

ज्याअर्थी खाली सही करणारे विशेष वसूली व विक्री अधिकारी श्री. डि. एस. शेवकरी द्वारे शिवशक्ती नागरी सहकारी पतसंस्था मर्यादीत सिंधुनगर प्राधिकरण पुणे-४४ महाराष्ट्र सहकारी संस्था नियम १९६१ अन्वये दिनांक -१८/१२/१७ रोजी कोर्टाच्या निकालानुसार संस्थेचे लवादी थकबाकीदार श्री अनिल रघुनाथ भोसले रा.आदित्य.हौ. सौसा. इंद्रायणीनगर भोसरी पुणे. याना रक्कम रु २४०३५८४ (रक्कम रु. चोवीस लाख तिन हजार पाचशे चौऱ्याऐंशी) ची मागणी नोटिस जारी केली आहे.
श्री अनिल रघुनाथ भोसले व सर्व नागरीकांना या नोटीसीद्वारे मिळालेल्या दिनांकापासुन ऋणको याने कर्जरक्कम परतफेड केली नसल्यामुळे विशेष वसुली व विक्री अधिकारी या नात्याने खाली नमुद केलेली स्थावर मालमत्ता जप्तीची नोटीस दिनांक - ४/८/२०२० रोजी दिली असुन सदरील नमुद केलेली स्थावर मालमत्ता जप्त करण्यात आली आहे.
श्री अनिल रघुनाथ भोसले व सर्व नागरीकांना या नोटीसीद्वारे कळविण्यात येते की खालील नमुद केलेल्या मालमत्तेचा प्रतिकात्मक ताबा (महाराष्ट्र सहकारी संस्था नियम १९६१ मधील नियम १०७ पोटनियम (११(ड-१)नुसार दिनांक १७/१२/२० रोजी घेण्यात आला आहे.
श्री अनिल रघुनाथ भोसले व सर्व नागरीकांना या नोटीसीद्वारे सावध करण्यात येते कि खालील नमुद केलेल्या स्थावर मालमत्तेसंबंधी कोणताही व्यवहार हस्तांतर करू नये आणि कोणताही व्यवहार हस्तांतर केल्यास शिवशक्ती नागरी सहकारी पतसंस्था मर्यादीत सिंधुनगर प्राधिकरण पुणे - ४४ यांच्या बोजाची रक्कम व त्यावरील व्याज व इतर प्रासंगिक व शासकीय खर्च यांना अधिन रहावे लागेल.

स्थावर मालमत्तचे वर्णन

तुकडी पुणे पोट तुकडी तालुका हवेली मे. सब रजिस्ट्रार सौ. हवेली यांचे हद्दीतील गाव मौजे वाघोली येथील गट नं. १३५४ (जुना गट नं.२३४०,यासी जुना सर्वे नं.२८९ मधिल क्षेत्र १ आर व या क्षेत्रावर साध्या बांधकामातील क्षेत्र २६४ चौ. फुट) व आर सी ची बांधकामातील क्षेत्र ३३६ चौ. फुट असे एकुण क्षेत्र ६०० चौ. फुट सदर घर मिळकत यासी ग्रामपंचायत नं. २/०५२० अशी मिळकत

शिक्का

श्री. डि. एस. शेवकरी
विशेष वसुली अधिकारी
स्थळ : वाघोली — पुणे जिल्हा नागरी सहकारी पतसंस्था फेडरेशन लि.
दिनांक : १७/१२/२० — व्दारे - शिवशक्ती नागरी सहकारी पतसंस्था मर्यादीत, प्राधिकरण,पुणे ४४.

रेलीगेअर हाऊसिंग डेव्हलपमेंट फायनान्स कॉर्पोरेशन लिमिटेड
RELIGARE Values that bind | SME LOAN

केंद्रीय कार्यालय: पहिला मजला, प्रायस ग्लोबल टॉवर, ए-३, ४, ५, सेक्टर-१२५, नोएडा-२०१३०१
नोंदणीकृत कार्यालय: पहिला मजला, पी-१४, ४५/९०, पी-ब्लॉक, कनॉट प्लेस, नवी दिल्ली- ११०००१

ताबा सूचना
[(परिशिष्ट IV) नियम ८(१)]

ज्याअर्थी, निम्नस्वाक्षरीकार हे मे. रेलीगेअर हाऊसिंग डेव्हलपमेंट फायनान्स कॉर्पोरेशन लिमिटेड ("आरएचडीएफसीएल") या नॅशनल हाऊसिंग बँक (भारतीय रिझर्व्ह बँकेच्या संपूर्ण मालकीची) कडे नोंदणी असलेल्या हाऊसिंग फायनान्स कंपनी चे प्राधिकृत अधिकारी असून त्यांनी सिक्युरिटायझेशन अँड रिकन्स्ट्रक्शन ऑफ फायनॅन्शिअल असेट्स अँड एनफोर्समेंट ऑफ सिक्युरिटी इंटरेस्ट अॅक्ट, २००२ (२००२ चा ५४) मधील तरतुदींअंतर्गत (यापुढे "आरएचडीएफसीएल" असा उल्लेख करण्यात येईल) आणि सिक्युरिटी इंटरेस्ट (एनफोर्समेंट) रूल्स, २००२ च्या नियम ३ सह वाचण्यात येणाऱ्या अनुच्छेद १३(१२) अंतर्गत बहाल करण्यात आलेल्या अधिकारांचा वापर करीत दि. ११.११.२०१९ रोजी एक मागणी सूचना निर्गमित केली होती ज्यात कर्जदार **(i) धवल त्रिभुवन रायवानी, वडिलांचे नाव त्रिभुवन रायवानी, (ii) सुमिता रायवानी, पतीचे नाव धवल त्रिभुवन रायवानी, (iii) त्रिभुवन हरजी रायवानी, वडिलांचे नाव धवल त्रिभुवन रायवानी, (iv) त्रिभुवन कंस्ट्रक्शन, सर्व राहणार मालमत्ता क्र. २४७/२, रास्तापेठ, ज्योती अपार्टमेंट, पुणे, महाराष्ट्र - ४११०११, तसेच येथे:- त्रिभुवन कंस्ट्रक्शन, नवा स/गट क्र. १६/३, आळंदी देवाची गाव, तालुका खेड, जिल्हा पुणे, महाराष्ट्र (५) वैभव संपतलाल बाफना, वडिलांचे नाव संपतलाल बाफना, (vi) चंचलबाई मदनलाल बाफना, पतीचे नाव मदनलाल बाफना आणि (vii) राजेश मदनलाल बाफना, वडिलांचे नाव मदनलाल मिश्रीलाल बाफना, सर्व राहणार घर क्र. ११/१/२९०, चारोळी रोड, दत्त मंदिर, आळंदी देवाची, पुणे, महाराष्ट्र-४१२१०५, तसेच येथे: त्रिभुवन कंस्ट्रक्शन, नवा स/गट क्र. १६/३, आळंदी देवाची गाव, तालुका खेड, जिल्हा पुणे, महाराष्ट्र ("कर्जदार") आणि ("सह-कर्जदार")** यांना सदर सूचनेत नमूद रक्कम रु. १५,६३,६३०.१९/- **(रुपये पंधरा लक्ष त्रेसष्ट हजार सहाशे तीस आणि एकोणवीस पैसे फक्त)** चा दि. ११.११.२०२० पासूनच्या व्याजासह सदर सूचना प्राप्त होण्याच्या दिनांकापासून ६० दिवसांचे आत भरणा करण्याचे आवाहन करण्यात आले होते.
कर्जदार सदर रकमेची परतफेड करण्यात असमर्थ ठरल्याने कर्जदार व सर्वसामान्य जनतेस याद्वारे सूचित करण्यात येते की निम्नस्वाक्षरीकारांनी सिक्युरिटी इंटरेस्ट (एनफोर्समेन्ट) रूल्स, २००२ मधील नियम ८ सह वाचण्यात येणाऱ्या अधिनियमाच्या अनुच्छेद १३ मधील उप-विभाग (४) अंतर्गत बहाल करण्यात आलेल्या अधिकारांचा वापर करीत दि. १८ डिसेंबर, २०२० रोजी खाली नमूद मालमत्तेचा ताबा घेतलेला आहे. कर्जदार व सर्वसामान्य जनतेस याद्वारे सावधगिरीची सूचना देण्यात येते की त्यांनी सदर मालमत्तेच्या संदर्भात कोणताही व्यवहार करू नये आणि असा कोणताही व्यवहार केल्यास तो "आरएचडीएफसीएल"च्या रु. १५,६३,६३०.१९/- (रुपये पंधरा लक्ष त्रेसष्ट हजार सहाशे तीस आणि एकोणवीस पैसे फक्त) आणि दि. ११.११.२०१९ पासूनचे व्याज एवढ्या रकमेच्या भाराधीन असेल. कर्जदाराचे लक्ष सदर अधिनियमाच्या अनुच्छेद १३ मधील उप-विभाग (८) कडे वेधण्यात येते की जर कर्जदाराने विक्री किंवा हस्तांतरणासाठी निश्चित केलेल्या दिनांकाअगोदर कोणत्याही वेळी "आरएचडीएफसीएल" ला त्यांच्याकडून येणे असलेल्या रकमेचा सर्व खर्च, शुल्क व अधिभार इ. सह भरणा केल्यास सदर प्रतिभूत मत्तांची "आरएचडीएफसीएल" द्वारे विक्री किंवा हस्तांतरण करण्यात येणार नाही आणि सदर सूचना प्राप्त होण्याच्या दिनांकापासून सदर मत्तांची विक्री किंवा हस्तांतरण करण्यासाठी "आरएचडीएफसीएल" द्वारे पुढील पावले उचलण्यात येणार नाहीत.

मालमत्तेचे वर्णन: परिशिष्ट-II

त्रिभुवन कंस्ट्रक्शन, नवा स/गट क्र. १६/३ (जुना स/गट क्र. १६/१सी/२) आणि नवा स/गट क्र. १६/२१ (जुना स/गट क्र. १६/१ + ३/२ए/२ + ३/२), आळंदी देवाची गाव, तालुका खेड, जिल्हा पुणे, आळंदी महानगर पालिकेच्या हदीत, नोंदणी जिल्हा पुणे, नोंदणी उप-जिल्हा तालुका खेड आणि उप-निबंधक, खेड आणि खेड-२, पुणे यांचे अधिकाक्षेत्रात, महाराष्ट्र. चतु:सीमा: पूर्वेस: रस्ता, पश्चिमेस: रस्ता, उत्तरेस: कुऱ्हाडे यांची मालमत्ता, दक्षिणेस: कैलास पवार यांची मालमत्ता.

स्थान: पुणे — स्वा/-प्राधिकृत अधिकारी
दिनांक: १८.१२.२०२० — मे. रेलीगेअर हाऊसिंग डेव्हलपमेंट फायनान्स कॉर्पोरेशन लि.

बँक ऑफ महाराष्ट्र
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पुणे पश्चिम अंचल कार्यालय : ११८३/ए, तिसरा मजला, 'यशोमंगल', एफ.सी.रोड, शिवाजीनगर, पुणे-५. फोन : ०२०-२५५७३४०९
मुख्य कार्यालय : लोकमंगल, १५०१, शिवाजीनगर, पुणे-५.
2021 जनगणना से जन कल्याण

स्थावर मालमत्तेच्या विक्रीकरिता विक्री सूचना (अपेंडीक्स-IV-A)

दि सिक्युरिटायझेशन अॅन्ड रिकन्स्ट्रक्शन ऑफ फायनॅन्शियल अॅसेट्स अॅन्ड एन्फोर्समेंट ऑफ सिक्युरीटी इंटरेस्ट अॅक्ट २००२ आणि त्यासह वाचण्याच्या सिक्युरीटी इंटरेस्ट (एन्फोर्समेंट) रुल्स २००२ मधील रुल ८(६) च्या अटींनुसार स्थावर मालमत्तेच्या विक्रीकरिता ई-ऑक्शन विक्री सूचना.

या ठिकाणी सर्वसाधारण जनतेस आणि विशेषकरुन कर्जदार आणि जामीनदारांना सूचना देण्यात येते की, खाली नमूद केलेल्या स्थावर मालमत्ता, ज्या सुरक्षित धनको (सिक्युअर्ड क्रेडीटर) बँक ऑफ महाराष्ट्र यांच्याकडे गहाण/बोज्याअंतर्गत आहेत आणि बँक ऑफ महाराष्ट्रचे अधिकृत अधिकारी यांनी सदर मालमत्तांचा ताबा घेतला असून, सदर मालमत्तांची विक्री **दि. २९/०१/२०२१** रोजी **''जसे आहे जेथे आहे'',''जे आहे जसे आहे''** आणि **''तेथे जे आहे''** या तत्त्वावर, बँक ऑफ महाराष्ट्र यांना खाली नमूद केलेल्या परीशिष्टामधील कर्जदार व जामीनदार यांच्याकडून येणे असलेली रक्कम वसूल करण्यासाठी केली जाणार आहे. कर्जदार आणि जामीनदारांकडून येणे असलेल्या रकमेचा तपशील, स्थावर मालमत्तेचे संक्षिप्त वर्णन आणि त्यावरील माहित असलेला बोजा, ताब्याचा प्रकार, राखीव किंमत आणि बयाणा रक्कम पुढीलप्रमाणे आहे.

अ. क्र.	कर्जदाराचे / जामीनदाराचे नांव आणि पत्ता	दि. २०/१२/२०२० रोजी येणे रक्कम	स्थावर मालमत्तेचे संक्षिप्त वर्णन / ताब्याचा प्रकार / बोजा	राखीव किंमत / बयाणा रक्कम
१	**शाखा : कासारवाडी (संपर्क : ८१०४५५३३०७)** **कर्जदार : मे. पर्ल इंजिनियरींग**, शॉप नं. २८, पहिला मजला, शिवराज कॉम्प्लेक्स, प्लॉट नं. १३३, सेक्टर -७, विश्वेश्वर चौकाजवळ, एमआयडीसी, भोसरी, पुणे - ४११०२६. **जामीनदार : १) श्री. अनिलकुमार वसंत लोखंडे**, फ्लॅट नं. ३०१, बिल्डिंग-ए, बी. जी. संकुल, प्लॉट नं. एलसी-१, सेक्टर-७, इंद्रायणीनगर, भोसरी, पुणे-४११०३९. **२) श्री. गाविरीनेनी श्रीकांत नागेंद्रबाबू**, हाऊस नं. ४-९८, बावुनेनी वारी स्ट्रीट, पेनामालुरु, कृष्णा, आंध्र प्रदेश, पिन-५२१ १३९. **३) श्री. प्रकाश कुंडलिकराय पारेकर**, फ्लॅट नं २, बिल्डिंग-बी-३, प्लॉट नं. ७९, सेक्टर-७, इंद्रायणीनगर, भोसरी, पुणे-४११०२६. **४) श्री. महादेव काशीनाथ लोखंडे**, रो हाऊस नं. १, जय गणेश साम्राज्य, युनिट-के, प्रिन्स व्हिला सोसायटी, पांजरपोळ, पुणे-४११०३९. **५) श्री. विष्णु हनुमंत ताजणे**, ताजणे मळा, चऱ्होली बु. ता. हवेली, पुणे-४१२ १०५. **६) श्री. वैभव सुहास मांडवे**, फ्लॅट नं. ए/६, निर्मल नेस्ट-१, प्लॉट-५६बी, सेक्टर-३, पीसीएनटीडीए, भोसरी, पुणे-४११०१९. **७) श्री. किशोर बंडू खुसपे**, विवेकानंद कॉलनी, गवळी नगर, आळंदी रोड, भोसरी, पुणे-४११०२६.	**रु. १,९७,७७,९४७.०० (रुपये एक कोटी सत्त्याण्णव लाख सत्त्याहत्तर हजार नऊशे सत्तेचाळीस फक्त)** अधिक त्यावरील दि. २०/१२/२०२० पासूनचे व्याज, अधिक सर्व किंमत, दंड, आकार आणि खर्च, किंवा त्यावरील इतर प्रासंगिक आकार	इंडस्ट्रीयल शॉप नं. २८, बांधकाम क्षेत्रफळ ७७८.२३ चौ. फू., पहिला मजला, शिवराज कॉम्प्लेक्स, शिवराज इंडस्ट्रीयल को-ऑप. हौसिंग सोसायटी, सेक्टर-७, प्लॉट नं. १३३, विश्वेश्वर चौकाजवळ, भोसरी, पुणे - ४११०२६ / **जिल्हा दंडाधिकारी यांच्या आदेशानुसार प्रत्यक्ष ताबा** / **बँकेला माहित असलेला बोजा : नाही.**	**राखीव किंमत : रू. ५५.०० लाख** / **बयाणा रक्कम : रू. ५.५० लाख**
२	**शाखा : डी.वाय. पाटील कॉलेज (संपर्क : ९८९००९१०२३)** **कर्जदार : मे. युनिक इंजिनिअर्स, प्रोप्रा. श्री. अक्षय सुनिल अगरवाल** स.नं. १०१, मयूर पॅनोरमासमोर, नेहरू नगर, पिंपरी, वाघिरे, पुणे-४१११०१८.	**रु. ४६,२८,६१६.०० (रुपये सेहेचाळीस लाख अठ्ठावीस हजार सहाशे सोळा फक्त)** अधिक त्यावरील दि. २०/१२/२०२० पासूनचे व्याज, अधिक सर्व किंमत, दंड, आकार आणि खर्च, किंवा त्यावरील इतर प्रासंगिक आकार	व्यावसायिक दुकान, तळ आणि १ ला मजला, क्षेत्रफळ ४५९ चौ. फू., सर्व्हे नं. १०१, हिस्सा नं. २बी/१ए/१२ भाग २/२, सीटीएस नं. ६५९३ वर बांधण्यात आलेले, नेहरू नगर, पिंपरी, वाघिरे, पुणे-४११०१८. / **प्रत्यक्ष ताबा** / **बँकेला माहित असलेला बोजा : नाही.**	**राखीव किंमत : रू. १९.५० लाख** / **बयाणा रक्कम : रू. १.९५ लाख**

विक्रीच्या तपशीलवार अटी व शर्ती जाणून घेण्यासाठी कृपया बँकेच्या संकेतस्थळावरील लिंक **"https://www.bankofmaharashtra.in/properties for sale"** आणि **"https://www.bankeauctions.com"** पहावी.

दिनांक : २१/१२/२०२० — अधिकृत अधिकारी,
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0070695215-4

जागाविषयक

फ्लॅट मालक यांच्यासाठी महत्त्वाची सूचनाः इमारतीची सोसायटी सहकारी गृहनिर्माण संस्था यांच्या नावे इमारतीच्या खालील मूळ जमिनीची मालकी हस्तांतरित करण्यासाठी नवीन कायद्याप्रमाणे डीम्ड कन्व्हेयन्स म्हणजे मानीव अभिहस्तांतरणासाठी तंत्रशुद्ध प्रस्ताव तयार करून पूर्ण प्रक्रिया करण्यासाठी कायदेशीर मार्गदर्शन व अंमलबजावणीसाठी संपर्क- 09209637031, 09209637125, सुविधा सेवा केंद्र, www.sskindia.in/ New Application Download, अर्ज क्रमांक अ, अर्ज क्रमांक इ
0070724323-1

नोकरीविषयक

Furniture Sale (Pune Camp) Sofa 4/3/2/1 seater, dining table + 6 chairs, fridge, showcase etc. 9822192181 (11-2, 5-7)
0090279491-1

इतर जाहिराती

नावात बदल

My Old Name Manoj Vyas changed to new name as Manoj Kumar Vyas vide Adhaar Card No.5000 1521 6433
0090279498-1

I HAVE CHANGED MY NAME FROM MOHAMMAD ILIYAS TO ILIYAS PEER MOHAMMED SHAIKH AS PER MY DOCUMENTS
0070724652-1

My Old Name Nimisha changed to new name as Nimisha Agrawal vide Adhaar Card No. 9448 5536 1434
0090279498-2

मी शैला वसंत साळुंके, रा. घर नं. १००६, स. नं. ७/१/३, तळजाई पठार, धनकवडी, पुणे, महाराष्ट्र-४११०४३, माझ्या मुलीचे नाव समृद्धी विनोद बलदोटा बदलून समृद्धी शैला साळुंके केलं आहे. (पी-२०३८८८६)
0090279499-2

I Pinky Bacharam Chawla PWD 7/8, Near Radha Swami Dhera, Pimpri, Pune City Pune 411017 Have Changed My Name to Priya Deepak Sabnani for All purposes.
0070724660-1

I, Rajshree, spouse of Mane Pravin Krishna Ser Record No : 14832687A resident of MILIT, Girinagar, Pune - 411 025 have changed my name from Rajshree to Rajeshree Pravin Mane for future reference. Affidavit No: 1284 /20
0090279501-1

I have changed my name from Manoja Ankush Panchal to Manisha Ankush Panchal wide Adhar documennt no 220420534245
0090279500-1

I have changed my name Balveer Kumar Pukhrajji Jain To new name Balveer Pukhrajji Jain. Aadhaar no. 776465035029.
0090279490-1

महत्त्वपूर्ण निवेदन

THERMAX

39th ANNUAL REPORT 2019-20

CONTENT

ABOUT THIS INTEGRATED REPORT

Reporting Approach

Thermax has commenced the Integrated Reporting <IR> journey from this year in line with its commitment to socially responsible and environmentally conscious behaviour combined with high standards of governance. Inspired by the conviction of its Founder and Ex-Chairman, R.D. Aga that, 'profit is not a set of figures but of values', the company's aim is to create overall stakeholder value.

The report is prepared in accordance with the International Integrated Reporting Council's (IIRC) <IR> framework.

Since 2016, Thermax has been reporting stakeholder relevant performance through a Business Responsibility Report, as required by SEBI. From this year, the company has combined these two reports to avoid duplication. It also believes that this reporting approach enables a comprehensive but concise coverage of stakeholder relevant information.

Framework, Guidelines and Standards

The report covers key performance indicators in line with the <IR> framework. It also links the company's capital wise performance to the United Nations Sustainable Development Goals (UN SDGs).

Sections of the document also comply with the requirements of the Companies Act, 2013 (and the Rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015; and the Secretarial Standards issued by the Institute of Company Secretaries of India. Stakeholders are encouraged to read them in conjunction with the contents prepared using the <IR> format to get a holistic view of the company's annual performance.

Scope and Boundary

The report covers information pertaining to, but not limited to manufacturing facilities, products and solutions, operations and maintenance, office premises of the Thermax Group and its material subsidiaries. The report contains disclosures that pertain to the period April 1, 2019 to March 31, 2020, unless stated otherwise.

Responsibility Statement

As Those Charged With Governance (TCWG), our management has evaluated the contents presented in the report and assured its integrity, to the best of their knowledge. The management has approved the publication of this report on June 18, 2020.

ENGINEERING A SUSTAINABLE FUTURE

About the Cover

At a time when global warming, climate change and depleting natural resources present the gravest threats to life on our planet, sustainable living – meeting our present needs without compromising the needs of future generations – is non-negotiable. Striking the right balance between growth and environment, while rethinking the way we engage with stakeholders, has become more important for organisations than ever to ensure equitable development and inclusive progress.

The year 2019-20 has been a test of survival for people, organisations, nations and the world economy. In these times of unprecedented crisis, Thermax believes that its agility and resilience, backed with technological prowess and a dependable stakeholder ecosystem will help the company emerge stronger in fulfilling its commitment to engineering a sustainable future.

We are embedding sustainability into all facets of our business. We have intensified our focus on cleaner and greener areas of business, such that we deliver on our brand promise of 'conserving resources, preserving the future'. Our green portfolio has grown from over 40% to 70% in the last ten years. These solutions help customers to achieve better resource productivity and improved bottom lines, while maintaining a cleaner environment. The world is increasingly focussing on climate change mitigation, and Thermax is prepared to facilitate this transition with appropriate solutions.

Thermax also recognises that sustainability is a chain, not a single event; it requires partnership with vendors, employees, channel partners and customers to achieve it. The principle of sustainability is integrated with our strategy, processes, business ethics and corporate governance framework and we also attempt to extend it to the communities around our sites.

Since its inception, Thermax has been focussing on sustainability, which today is a dire need. With continuous innovation, the company remains committed to deliver on its vision of providing sustainable solutions in energy and the environment.

KEY HIGHLIGHTS

1 Thermax Group clocked a total income of Rs. 5,831 crore in FY2019-20 as compared to 6,123 crore in the previous year, down 4.8%. Profit after tax for the year stood at Rs. 212 crore as compared to Rs. 325 crore in the previous year.

2 Ashish Bhandari joined the Thermax Group as Joint MD, effective April 7, 2020. He will succeed M.S. Unnikrishnan post his retirement and move into the role of Managing Director and CEO on September 1, 2020.

3 Thermax concluded an order of Rs. 471 crore from an Indian government power company to set up two Flue Gas Desulphurisation (FGD) systems at their thermal power plant in the state of Jharkhand, India. As a part of the customer's drive to meet the mandate for regulating SOx emissions from coal fired power plants, they plan to install two units of FGD systems of 500 MW capacity each at their plant.

4 In the third quarter of FY2019-20, Thermax concluded another order of Rs. 431 crore from a public-private joint venture power company to set up two FGD systems at their thermal power plant in Jharkhand, comprising two units of FGD systems of 525 MW capacity each.

5 The Channel Business Group launched its 'Urban' business in line with Thermax's entry into the commercial space with its energy and environment portfolio comprising select products from the Water and Wastewater, Heating, Solar PV and Chemical businesses.

6 Thermax received the ISO 27001:2013 certification, the highest and internationally accepted benchmark in information security standards.

7 Thermax completed the supply of its largest export order comprising four utility boilers, eight heat recovery steam generators, two flue gas steam generators and a hot oil heater for the largest refinery and petrochemical project in Nigeria, West Africa, all in a modular form.

AWARDS AND ACCOLADES

Anu Aga was honoured with the 'Power Brands: Bharatiya Manavata Vikas Puraskar (BMVP) – Edition 2019' award for her business leadership and philanthropy.

Anu Aga was conferred the National Award-2019 by Rayat Shikshan Sanstha for her exemplary contribution to business and social work.

Thermax's manufacturing facility in Sri City bagged a '5S Gold' award from the Quality Circle Forum of India (QCFI) – Chennai Chapter.

Thermax Onsite Energy Solutions Limited (TOESL) bagged the second prize in the 'Best Boiler User 2020' category at Boiler India 2020.

Thermax received the 'Special Trophy for Excellence in Exports of High Technology Products' at the 50th Engineering Export Promotion Council (EEPC) India National Award - 2019.

Thermax's innovative and energy-efficient 'Hybrid Heat Pump' developed by the Absorption Cooling and Heating business, received the 'Most Innovative Energy Saving Product' award at the 19th edition of CII-Godrej GBC summit (Confederation of Indian Industry- Godrej Green Business Centre).

Thermax was honoured with the 'Lifetime Achievement Award – for Best Supply Chain Management Practices' by Indian Institute of Materials Management at its 6th Annual Awards for Supply Chain Management, Pune.

Thermax won the 'Clarivate Analytics India Innovation Awards 2019' in the 'Heavy Industries' category. The impressive performance of its growing patent portfolio across all judging criteria, especially its success in acquiring patents and globalisation, resulted in this win for Thermax.

Thermax's Solar business was awarded the 'Best EPC Player' in the industrial segment in the state of Haryana and Punjab by EQ International magazine.

ENGINEERING A COORDINATED PLAN

COVID-19 Response

Thermax has been continuously taking steps to protect its employees from being exposed to any health risks arising from the COVID-19 pandemic while maintaining business continuity.

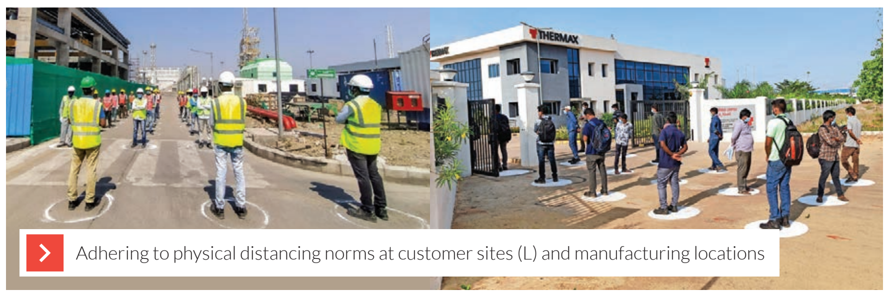
People First

As a manufacturing company, employees' occupational health and safety remains one of the key concerns of Thermax. To protect employees from being exposed to the COVID-19 infection, the company has deployed several measures that are being upgraded periodically by the management in tune with the Government guidelines as well as internal and external feedback. The company stopped all forms of travel during the crisis period. All employees who can deliver remotely have been working from home. Manufacturing operations across the 10 facilities in India were suspended at the start of the pandemic and later resumed in line with the Government directives and adherence to Standard Operating Procedures (SOPs). The four facilities abroad operated at a considerably scaled-down pace.

Business Continuity

Leveraging its ongoing digitalisation drive, the company was able to transition to work from home for employees whose job profile enabled them to operate remotely, immediately after the enforcement of the lockdown. Within one week of the lockdown, more than 30% of the staff were able to work from home seamlessly.

Given the prevailing uncertainties, the management has prepared multiple scenarios and is working on a dynamic business plan. Stringent cost control measures have been initiated and capital expenditure has been judiciously revisited.



Adhering to physical distancing norms at customer sites (L) and manufacturing locations

Communication and Engaging with Stakeholders

Thermax reinvented its ways of working and interacting with stakeholders during the lockdown enforced by the pandemic. Businesses stayed connected with customers through remote support and webinars, sending periodic communication on best practices to upkeep their critical utilities during the shutdown. In some cases, the company's service personnel stationed at sites continued to support customers, while some travelled under critical circumstances, adhering to lockdown norms. To ensure that employees utilise this opportunity for upskilling, Thermax conducted over 300 Virtual Instructor Led Trainings (VILT) on behavioural, compliance and technical topics spanning 27,000 hours approximately. A vendor survey was conducted to analyse the impact of the crisis on their operations and Thermax will support them on a case-by-case basis accordingly. The management continuously engaged with employees through email communication, blogs, senior management interactions and a virtual 'Open Forum' with all employees.

Employee engagement initiatives such as virtual fitness sessions, recipe contest, HR and COVID-19 helplines to address anxieties over the pandemic, social media campaigns, inhouse chat shows and speaker sessions by medical experts helped employees stay upbeat through the phase of self-isolation and social distancing.

Supporting the Community

To begin with, Thermax supported all its labour workforce, directly or through contractors and customers, by providing them with daily essentials and handling medical emergencies in some cases. Thermax Foundation has been working collaboratively with a number of credible NGOs and volunteers to support the worst affected people in Pune and around the company's manufacturing facilities by funding their daily provisions; supplying masks and other essentials to frontline police force and the poor; as also medical equipment to hospitals. The employees have come forth to support migrant workers and daily wage earners impacted by the crisis, by contributing for their provisions. The Foundation has also contributed to the PM CARES Fund and Chief Minister's Relief Fund (Andhra Pradesh, Gujarat and Maharashtra).

CHAIRPERSON'S MESSAGE

My Dear Shareholder,

It is my privilege to present the 39th Annual Report of your company and the first Integrated Reporting <IR> by Thermax. As an organisation, we have always believed in long term value creation for all our stakeholders. A modest beginning in the adoption of the <IR> framework resonates with this philosophy. We have attempted to present the company's information in an all-encompassing format for a deeper and richer understanding of our sustainable journey.

We are all living in very uncertain and unprecedented times. The Indian economy was already treading on thin ice in 2019, when COVID-19 took us all by surprise. Even though the impact of the pandemic was towards the end of the financial year, the outcome on our operations was substantial. We were all under lockdown in the last 10 days of March, when a significant part of the invoicing for the fourth quarter takes place.

With COVID, the impact on communities around the world has been devastating. In India, those affected most were migrant workers and daily wage earners, some of whom died of hunger and just sheer tiredness, walking hundreds of miles trying to get back to their homes. Even today, with many without jobs, the situation is dire. COVID only brought to light this "invisible" workforce called a migrant labourer. Although, we at Thermax made sure all our people at various sites received food and any medical assistance they needed, we have decided to proactively take steps to look into and improve the working conditions of our contractor's labourers at our sites – bringing in awareness amongst our people, including our ecosystem of vendors and business partners. We in industry have to make a beginning in providing hope for the poor and deprived sections of our society.

Coming to our financials, Thermax Group posted a total income of Rs. 5,831 crore in FY2019-20 as compared to Rs. 6,123 crore in the previous year. Profit after tax was Rs. 212 crore as compared to Rs. 325 crore in 2018-19.

Income from our international business was at Rs. 1,969 crore, 25% down compared to Rs. 2,636 crore in the previous year. Order booking for the year, at the consolidated level, stood at Rs. 5,498 crore, down 2.4% from Rs. 5,633 crore in the previous year.

Against the backdrop of severe economic challenges, factors that contributed to a reasonable order book and revenue position included two major Flue Gas Desulphurisation (FGD) orders in the domestic market. A strong and robust performance by our chemical division and consistent opportunities from the food & beverage, chemical, cement, metal and steel sectors were the other drivers in 2019-20.

On behalf of the Board, I would like to thank our Managing Director & CEO, Mr. M.S. Unnikrishnan, his team and all our employees for steering the company through a challenging year. A big thank you to all our employees and the entire ecosystem for doing a commendable job, working from home, working at our manufacturing locations and sites, trying to get our plants up and running along with the highest priority of safety and wellbeing. It's not easy – we appreciate your dedication and commitment. Our gratitude to all our customers for their understanding and continued support. I would also like to express my sincere appreciation to all my fellow Board members for their time, dedication, and prudent counsel.

It is time to bid adieu to our very own M.S. Unnikrishnan, who retires on 31st August 2020 after tirelessly and selflessly serving this organisation for 28 years. Unny (as he is fondly called) has truly upheld the culture and values of this institution and successfully built it into a purpose driven, value based global enterprise. He has always accepted every challenge put before him – be it heading Human Resources, turning around the Cooling business, heading the Waste Management division, leading the growth project 'Evergreen', overseeing our large project divisions and eventually, serving as MD & CEO of our company. At the helm of every role, he has shown great passion, sincerity and leadership. I have certainly enjoyed working with Unny especially over the last 13 years when he became MD & CEO. Having known Unny for years, we will all miss him. On behalf of the Board and our family, we thank him for his invaluable contribution and wish him and his family great health and the very best life has to offer.

On behalf of the Board, I am very happy to announce the next phase of leadership at Thermax, with Ashish Bhandari joining our company as the Joint Managing Director, effective 7th April 2020. Ashish comes from Baker Hughes (formerly a GE company) where he was the Vice President - India and South Asia region. Over his 15-year-long career with GE, he worked in a variety of industrial businesses, both overseas and in India, including GE Enterprise Solutions, GE Energy and GE Oil & Gas. Apart from his diverse experience in related sectors, a deep understanding of international operations and process-driven management style, Ashish is someone who struck us as being an extremely thoughtful, clear thinking, level headed leader with a strong sense of values that will integrate him well into Thermax. Unny and Ashish have been working very closely together, although physically apart, since Ashish is still operating from Delhi. We look forward to Ashish taking over the mantle as MD & CEO on 1st September, 2020 and navigating this fine institution called Thermax.

Moving into 2020-21, uncertainty is what the future holds. It is expected that the demand for capital goods will remain subdued, due to a significant drop in consumer demand thanks to COVID. However, there will be opportunities for Services, Operation & Maintenance contracts, enhanced energy efficiency, waste heat recovery – all of which will help lower the cost of operations for our customers. Additionally, certain essential consumer-facing industries, like pharma, food and beverage and chemicals are expected to grow even during this period of unpredictability. Beyond that, should the government kickstart the economy with investments in infrastructure, we will remain geared to maximise on any such prospects. However, for the current year, cash is king; we will focus all our efforts on cashflow, order booking and cost reduction.

Notwithstanding the short-term challenges, our long-term strategy remains unchanged. We continue to develop unique applications that help us deliver on our commitment of sustainability. As an example, during the year, we provided a unique application to a leading tyre manufacturer that involved recovering waste heat and utilising this heat for cooling the plant, thereby removing the need for electrical chillers. This increasing impetus on enhanced efficiency, resource recovery and total cost of ownership over initial capital outlay by customers, has opened up avenues for all our offerings as a one stop shop. As part of our strategy to derisk the volatility of the projects businesses, we continue to focus on increasing our product footprint both in India and overseas. We also remain focussed on growing the share of our Build, Own, Operate & Maintenance services, offering remote monitoring and adopting new technologies. Our proven capabilities in modularisation, or 'plug-and-play' model of engineering solutions, that help customers minimise onsite construction work, offers new possibilities for business growth. We remain true to our tagline 'Conserving Resources, Preserving the Future' and are utilising digitisation technology wherever applicable.

At Thermax Foundation, we continue our commitment to fund the School Project, through our partners Akanksha Foundation and the Pune Municipal Corporation, while also extending support to the alumni of Akanksha and Teach For India schools, so that kids are able to complete grade 12, many going onto college. We initiated a few projects for communities around some of our manufacturing facilities, based on a detailed evaluation study and subsequently identifying the most pertinent challenges in the area. In a drought prone village in Solapur, along with the NGO, Manavlok and the local villagers, we helped desilt a 3 km stream, which today is the lifeline of the village. It was so heart warming to see their faces of joy on video.

When the pandemic struck, Thermax Foundation, through a number of credible NGOs, started to support affected communities and help strengthen our frontline services, which has been elaborated later in the report.

On behalf of the Board, let me once again thank all our employees, customers, supplier partners, channel associates, business partners, shareholders and the community for their continued support to Thermax. Wish you all good health.

Warmly,
Meher Pudumjee

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders,

Your company was headed for a record revenue generation and improved profitability, entering the last quarter of FY2019-20, despite the slowing down of international and domestic economies. Right from early stages of the fourth quarter, the effects of COVID-19 were visible in all our relevant markets, with customers delaying order conclusions due to uncertainty and even pacing down contract execution. With the contagion reaching a pandemic proportion, the Government of India, as well as those of many other countries where we have recognisable market presence, imposed national lockdowns in quick succession, leading to an abrupt halt in economic activities. As a capital goods manufacturer having a substantial revenue recognition overhang towards the last few weeks of a quarter, this disruption has pulled down our revenue and dented our profits and profitability.

With support from the Board, your company's management has taken multiple initiatives, including work-from-home, with the primary aim of protecting life even at the cost of revenues. All our manufacturing facilities in India were closed down, while our overseas factories continued operations, albeit at 25-35 percent of their peak load. As an input provider to essential services, our three chemical factories were the first to receive permission to restart manufacturing, but at considerably scaled-down levels of production. Our engineering manufacturing facilities received permission to reopen progressively from early May, with stringent restrictions on personnel deployment. We have conceived and implemented a comprehensive compliant operating system applicable for our entire workforce, keeping in mind that human safety deserves primacy above output and productivity. Even before the onset of the lockdowns, your management formed thirty task forces, led by our promising talent, for cost reduction in every part of our value chain. To support our customers at a time when travel freeze was underway, we have resorted to remote diagnosis and service support using IIoT platform. Our team's ingenuity and innovative spirit has also enabled remote commissioning of large capacity boilers at multiple project sites.

With a severe liquidity crisis and non-availability of labour - predominantly migrant - our MSME-oriented supply chain is expected to take at least a few more quarters to regain normalcy, which may be disrupted intermittently by bouts of lockdowns. Majority of our customers have resumed their operations, though at lower levels of capacity utilisation, enabling us to continue with project execution as well as accrue revenue from our Operation & Maintenance contracts. Even under these challenging scenarios, order conclusions in sectors like pharmaceuticals, food processing, FMCG, agro-processing and rubber etc., strengthen our belief that the consumption will progressively return to original scale and expansions will follow thereafter.

The capacity enhancement programmes of our company continued during the year. I am happy to share that our modern manufacturing facility for absorption chillers at Sri City, Andhra Pradesh, has attained stability with the establishment of local vendor base and geared to meet global demand. This highly automated facility based on advanced Manufacturing Execution System (MES) is enabling the production of zero-defect chillers. With the curtailment of the project business line at Boilerworks, Denmark, focus on profitable service business combined with shifting of a substantial part of the manufacturing activities to Poland, the Danstoker group is well poised to turn around its operations into profitability in the year ahead. Our Indonesia facility has progressed well, both in improving operations as well as local customer acquisitions. Our ramped up export oriented chemical facility at Dahej, Gujarat helped your company generate higher revenue for this segment with a major improvement in profit margins. The year also witnessed the completion of the slump sale process of the Boiler and Heater business to our wholly owned subsidiary Thermax Babcock & Wilcox Energy Solutions (TBWES), and its modern manufacturing facility at Shirwal being realigned to produce the combined range of utility and industrial boilers.

The challenges posed by the pandemic have pushed us to accelerate our digitalisation drive, to ensure both business continuity as well as process automation. Your company will continue to intensify its 'Smart' Thermax movement which is aimed at automating all our internal processes and digitalising our products and solutions to propel our valued customers towards Industry 4.0 and other digital manufacturing benchmarks. Your company is deploying sensors, big data analysis, artificial intelligence, machine learning and various facets of IIoT to implement this planetary shift.

During the year, employee well-being and continuous learning remained our focus areas, further accelerating during the COVID crisis through virtual learning modules and fitness programmes.

Despite the adverse business sentiments prevailing in the marketplace currently, your company is well positioned to navigate through this crisis and register an acceptable business performance. Focus during the year will be on securing cash flows, meticulous execution of the orders in hand, cost containment, acquisition of orders from the reviving sectors across markets and customer care. Our strength lies in a team of highly competent, committed and passionate employees; well-equipped and high quality manufacturing facilities; a zero debt balance sheet; sufficiently large cash reserves and most importantly, the patronage and support of our valued customers who have reaffirmed their faith in us by way of a healthy order book of nearly Rs. 5,300 crore. Today, we are in the most relevant businesses of energy, environment and chemicals. Growing urbanisation and development of emerging economies will continue to fuel the demand for energy generation. At the same time, its impact on the climate crisis will have to be mitigated with energy-efficient and environment-friendly solutions. Markets across the globe are opting for specialty chemicals to enhance yields, elevate process efficiencies and preserve resources. All these factors will enable our company to be a major beneficiary post-COVID, where businesses will survive only by aligning with the Sustainable Development Goals (SDGs).

In order to lead our company through this chosen course, let me welcome Ashish Bhandari as my successor. To ensure a smooth handover, I have been working closely with him over the past couple of months. Ashish is exceptionally well-qualified to take over the reins, having extensive experience in project, product and service businesses, both in the domestic as well as international markets. With his foresight, balanced thinking and ability to assimilate with the leadership team of our company, I am confident that he is the right person to transform Thermax into a truly global conglomerate with a strong accent towards green.

Signing off this message for the Annual Report of Thermax, I would like to reflect back with humility on my 28 years' journey with and at the helm of this great company. Thermax ordained me into the corporate world, held my hand like a parent, trained me, groomed me and privileged me to lead it for thirteen long years. I owe it to the promoters, Anu, Meher and Pheroz who nurtured me; Board members who mentored and sharpened me; all those leaders who shaped Thermax and my abilities; my Executive Council who partnered me selflessly during the toughest days; every employee of Thermax for whom I was their Unny; our committed channel associates; caring customers; dependable supply chain partners; trusted bankers whom we could not give business other than deposits and analysts who continuously challenged and advised me. With you by the side, every moment in this company, through failures and success has been rewarding. Be it upholding your company's strong value-based foundation and maintaining its impeccable corporate governance at par with global standards, being a part of its growth curve of 10x in 10 years, expanding its global footprint to comprise over one third of revenues, expanding from two to fourteen manufacturing units, joining the billion dollar club and falling out of it, growing the green curve continuously, entering and exiting the supercritical range, moving in and out of China operations with bruises all over, and many more. A big thanks to each one of you. Let me seek your continued affection and support to Ashish.

In the next phase of my life's journey, I will be associated with the industry through independent directorships, voluntary support to charitable organisations and NGOs, mentorship to entrepreneurs to scale-up faster and will be pursuing teaching, the unexplored facet of my persona.

Wishing all of you good health and safety,

From your Unny

THERMAX AT A GLANCE

Thermax is a limited liability engineering company registered in Pune, India and listed on India's principal stock exchanges. It was set up in 1966 as Wanson India by A.S. Bhathena. The company has always striven to practice good governance, respecting and balancing the interests of its various stakeholders. It has non-family professional managers running the business with the family on the Board as chairperson and director.

Vision

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

Values

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

Segments

- **Energy**
- **Environment**
- **Chemical**

Business Solutions

We heat, we cool, we power, we clean, and we recycle.

Thermax Group's products and services portfolio includes energy efficient solutions for heating, green cooling, water and waste management, emission control and specialty chemicals. The company also designs, builds, commissions, maintains and services large boilers for steam and power generation; power plants on a turnkey basis; industrial wastewater treatment plants with recycling; creating value from waste heat; and air pollution control projects.

The company serves every industry or commercial activity that needs the above solutions. The principal industries include:


Agro Processing


Automobiles


Cement


Chemicals & Fertilisers


Construction


Dairies


Distilleries


Food


Metals


Paper & Pulp


Pharmaceuticals


Plywood


Power Generation


Refineries & Petrochemicals


Soft Beverages


Textiles


Tyres

Core Businesses

ENERGY SEGMENT

Heating

- Boilers & Fired Heaters
  - Atmospheric Fluidised Bed Combustion Boilers (AFBC)
  - Circulating Fluidised Bed Combustion Boilers (CFBC)
  - Grate Fired Boilers
  - Spentwash Boilers
  - Auxiliary Boilers
  - Heat Recovery Steam Generators
  - Waste to Energy Boilers
  - Waste Heat Recovery Boilers
  - Fired Heaters and Process Furnaces
- Steam Boilers
- Thermal Oil Heaters and Vapourisers
- Hot Water Generators
- Hot Air Generators
- High Pressure Boilers
- Heat Recovery Systems
- Energy Plants
- Packaged and Modular Units

Cooling

Absorption Cooling and Heating

- Vapour Absorption Chillers
- Heat Pumps
- Hybrid Chillers
- Chiller-Heaters
- Heat Transformers

Process Cooling

- Wet Cooling Solutions
  - Evaporative Condensers
  - Closed Loop Cooling Towers
  - Adiabatic Coolers
- Dry Cooling Solutions
  - Dry Coolers
  - Radiators
  - Air Cooled Condensers
  - Air Cooled Heat Exchangers

Power Generation

EPC Solutions for:

- Captive Power Plants
- Independent Power Plants
- Waste Heat Recovery Power Plants
- Cogeneration Systems

Renewable Energy

- Solar Thermal Hybrid Systems for Cooling and Heating
- Solar Concentrators
- Rooftop Solar PV Plants
- Ground Mounted Solar PV Plants

ENVIRONMENT SEGMENT

Enviro

- Electrostatic Precipitators
- Bag Filters
- ComboFilter®
- Flue Gas Desulphurisation (FGD) Systems
- Scrubbers
- Heat Exchangers
- Coal Grinding Systems

Water & Waste Solutions

- Water Treatment Solutions
- Wastewater Treatment Solutions
  - Sewage Treatment and Recycle
  - Industrial Effluent Treatment and Recycle
- Zero Liquid Discharge (ZLD) Solutions
- Desalination Plants
- Waste Incineration

CHEMICAL SEGMENT

Chemical

- Ion Exchange Resins
- Water and Fuel Treatment Chemicals
- Oil Field Chemicals
- Construction Chemicals

Global Presence

Head Office

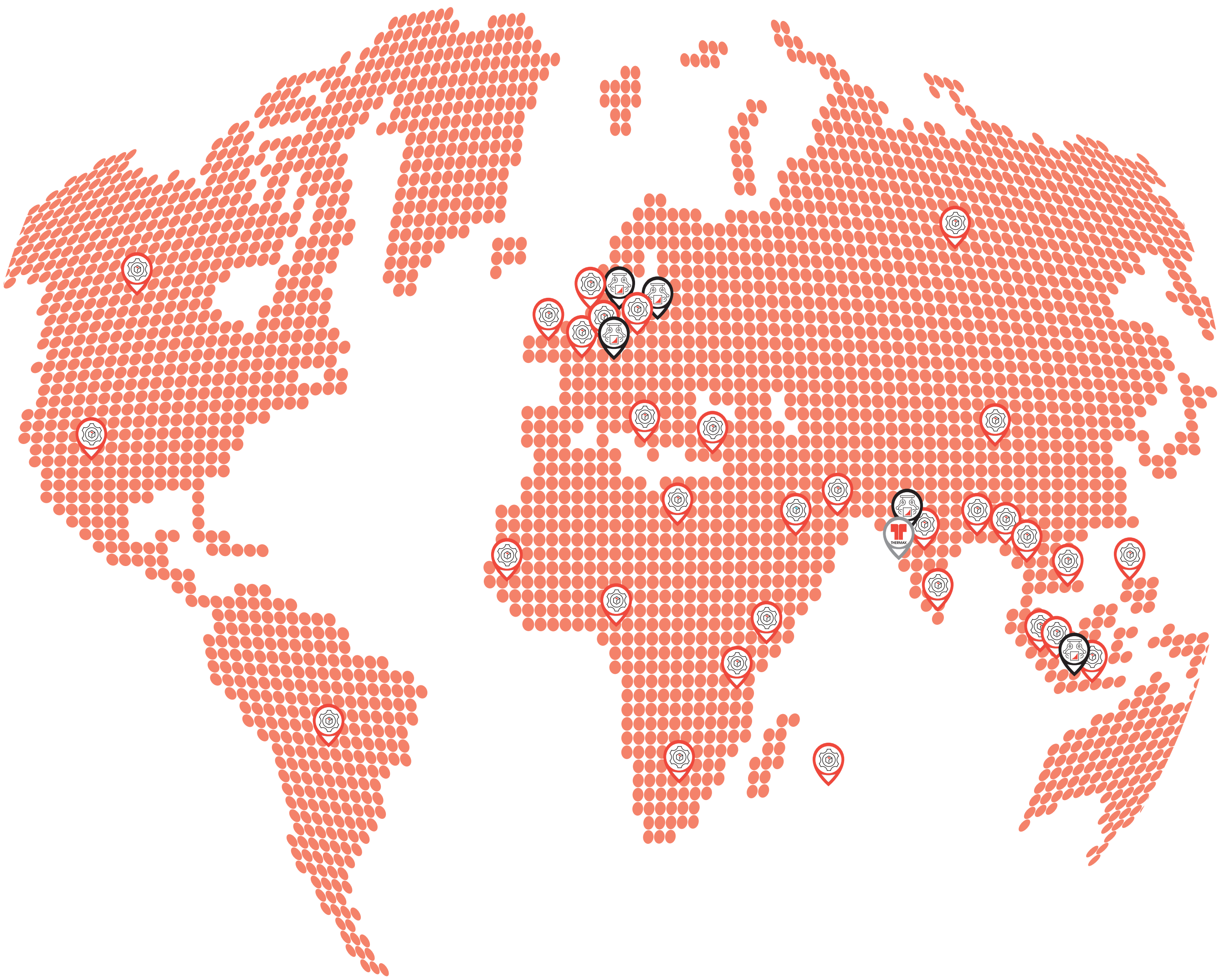
- India

Manufacturing Units

- India (10)
- Indonesia
- Denmark
- Germany
- Poland

International Subsidiaries, Sales & Service

- Bangladesh
- Brazil
- Canada
- China
- Denmark
- Egypt
- Germany
- India
- Indonesia
- Italy
- Kenya
- Malaysia
- Mauritius
- Myanmar
- Netherlands
- Nigeria
- Philippines
- Poland
- Russia
- Saudi Arabia
- Senegal
- Singapore
- Sri Lanka
- Tanzania
- Thailand
- Turkey
- U.K.
- U.S.A
- UAE
- Vietnam
- Zambia

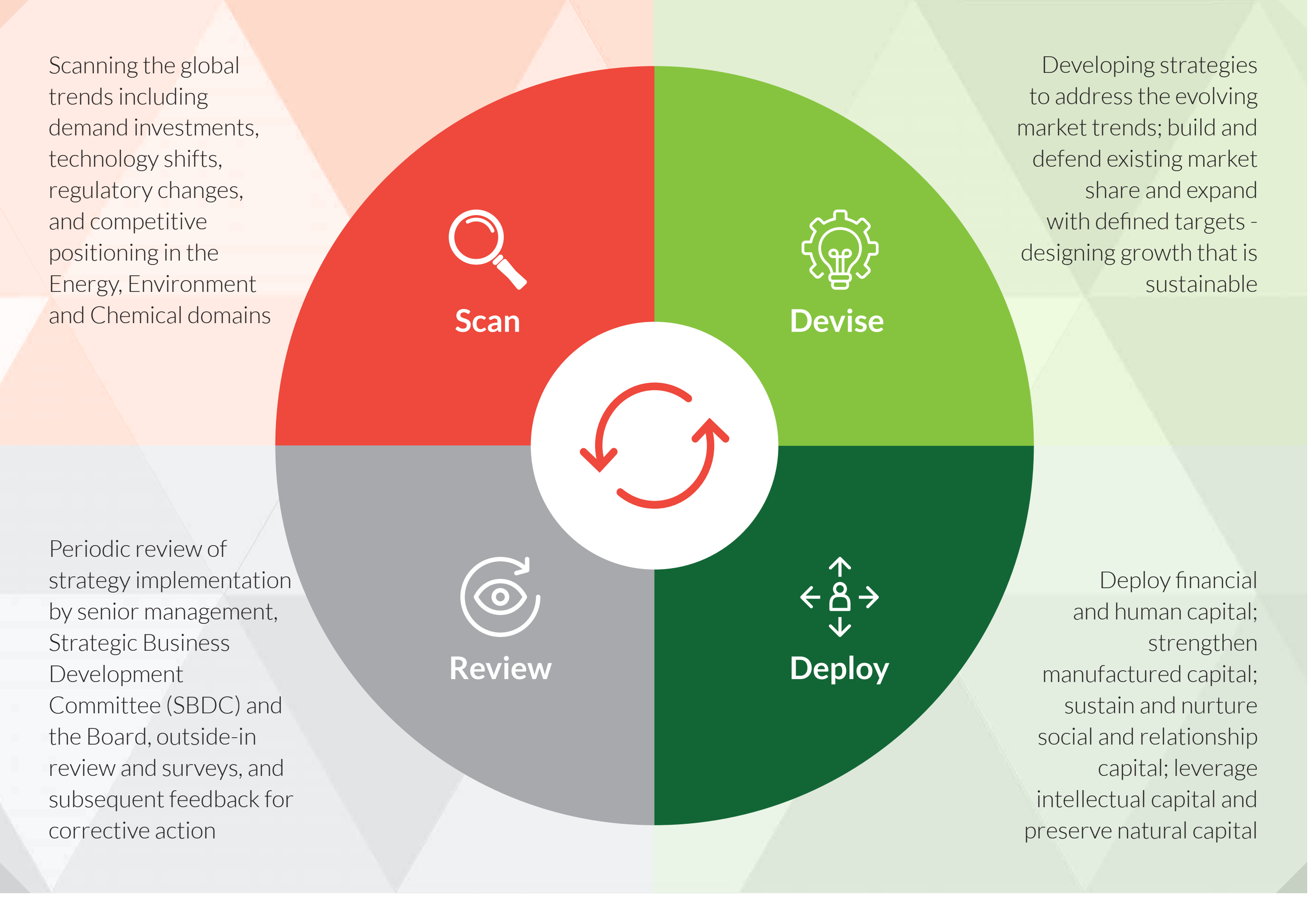


ENGINEERING A SUSTAINABLE GROWTH STRATEGY

As Thermax is predominantly a capital goods supplier, the key element of our strategy is understanding the factors that influence the capex cycle in general and of key customer industries in particular.

Operating in a dynamic environment, serving the needs of customers across several industries that are sensitive to demand business cycles and face regulatory, sustainability and cost challenges, it is important to build business strengths that overcome these concerns. The strategic planning process and objectives, guided by the company's vision and values, define how we work towards reinforcing our status as a leading global provider of sustainable energy and environmental solutions.

Strategy Planning Process



Strategic Objectives and Enablers

Strategic Objectives	Enablers
Increase the share of green offering in the overall Thermax portfolio	• Pioneers in green and energy efficient products – waste heat recovery, absorption and process cooling, solar PV, cogeneration and trigeneration captive power plants, biomass-fuelled boilers and power plants, industrial air pollution control systems, water and waste management solutions, among others • Consistent growth in the green portfolio of Thermax from 40% to 70% in the last 10 years
Derisk the volatility of capital goods industry by progressive globalisation of operations and focus on products and services	• Substantial project installation base for large boiler & heater (TBWES), Engineering Procurement and Construction (EPC), air pollution control systems and water and waste solutions in the international market • Providing the complete value chain including manufacturing for heating products in Europe and South East Asia • Export oriented unit with 22,000 m^3 capacity of specialty resins at Dahej • Highly automated 400 nos./per annum vapour absorption machines capacity commissioned in FY2019-20 at Sri City to cater to global markets • Lifecycle management support capabilities in 28 countries • Expanding Operation & Maintenance service support in the Middle East, South East Asia, and Africa
Technology leadership through innovation	• In-house capability and Centres of Excellence (CoEs) to develop technologically advanced market-based offering • 287 patents applied for of which 164 already granted • Ability to provide end-to-end utility solutions • Coordinated research with institutions like Council of Scientific and Industrial Research (CSIR) labs; Indian Institutes of Technology (IITs); Fraunhofer Institute for Systems and Innovation, Germany; Energy Research Center of the Netherlands (ECN); Department of Science & Technology, Government of India • Technology tie-up with global leaders – Babcock & Wilcox Power Generation Group, INC., Lambion Energy Solutions, Marsulex Environment Technologies and Balcke-Dürr
Operational excellence to deliver high quality solutions to customers at competitive costs	• Robust strategy deployment for addressing customer challenges, market needs, agility in customer response, reduced cycle time/better uptime and improve quality • Continuous improvement projects undertaken based on performance measurement of critical parameters such as delivery, quality, cost, safety, customer satisfaction, etc., and their linkage to financial outcome. Close to 500 improvement projects driven by the organisation every year across businesses • Strong management focus to make processes consistent, efficient, and effective by driving internal process improvement projects • Capability building including structured problem-solving process for employees to involve them and deliver on operational excellence
Build a 'Smart' and efficient Thermax through a structured digitalisation roadmap	• Digitalisation projects undertaken as a strategic initiative with globally renowned consultants to make the company more efficient, agile and increase value to customers and stakeholders • Automation and real-time tracking of the entire value chain of enquiry, sales and feedback management • Remote support, remote commissioning and remote start-up processes initiated with the selection and pilot implementation of a leading IoT based platform • Digitalisation of the entire employee management processes from hire to retire to create a new-age employee experience • Improvement in business operational productivity with the automation of proposal management, manufacturing execution, product lifecycle management and project applications
Talent development and retention	• Selection and onboarding of high quality talent • Three-tier Learning and Development Programmes (LDPs) spanning all levels in the organisation • Robust L&D platform for upskilling and cross-skilling with 311 modules around functional, strategic, behavioural and compliance training • Structured succession planning for all key positions

BUSINESS MODEL
FY2019-20

INPUTS

FINANCIAL CAPITAL
- Current Assets (Rs. crore): **3,977**
- Order Booking (Rs. crore): **5,498**
- Net Worth (Rs. crore): **3,028**
- Net Block of Assets (Rs. crore): **1,339**
- Borrowings (Rs. crore): **230**

MANUFACTURED CAPITAL
- No. of Manufacturing Plants: **14**
- No. of Domestic & International Offices: **41**
- No. of Project Sites (O&M): **246**
- New Capacity Additions:
  a. Chemical (Dahej) - 10,000 m^3 Per Annum of Specialty Chemicals
  b. 400 Vapour Absorption Machines/Year Capacity at Sri City
- Material Consumed: **Rs. 3,086 crore**

HUMAN CAPITAL
- No. of Internal and External Safety Audits: **1,691 Internal; 31 External Audits**
- No. of HSE Internal Auditors Certified: **19**
- Total Number of Permanent Workmen Deployed: **845**
- Total Number of Permanent Employees of Thermax Group (Including Subsidiaries and Excluding Workmen): **3,601**
- No. of Training Man-Hours: **15,162**
- Total Employee Cost as a % of Revenue: **13.9%**
- Investment in Training and Development Initiatives: **Rs. 2.39 crore**

INTELLECTUAL CAPITAL
- % R&D Spend w.r.t Group Turnover: **0.52%**
- Size of R&D Team (No. of Employees): **117**
- Investment in Technology/Process Improvement Initiatives: **Rs. 14.5 crore (Spent on Digitalisation)**
- Tie-up with External Research Firms/Start-ups: **6 Nos.**

SOCIAL AND RELATIONSHIP CAPITAL
- Total CSR Spend: **Rs. 7.97 crore**
- No. of Suppliers Trained on Sustainability: **180**
- No. of Dealers: **158**
- No. of Green Channel Vendors: **183**
- No. of MSME Suppliers: **1,687**
- No. of Customer Engagements including Events, Seminars, Expos and Webinars: **112**

NATURAL CAPITAL
- Renewable Energy: **19,332 GJ (5,370 MWh)**
- Non-Renewable Energy Consumption: **3,06,356 GJ (85,099 MWh)**
- Water Consumption (Domestic): **9,10,956 m^3**
- Biodiversity: Tree Plantation: **4,976 Saplings**
- Capex on Carbon Footprint Reduction Related Projects: **Rs. 1.83 crore**
- No. of Zero Liquid Discharge Installations within Thermax Facilities: **7**
- Rainwater Harvesting Capacity (Domestic): **36,534 m^3**

VALUE CREATION PROCESS

Corporate Governance

Thermax's corporate governance framework operates on the premise of transparent systems, processes and principles that creates wealth for its stakeholders, sustainably. The company's values of respect, honesty & integrity, commitment, and concern for society and the environment guide how it conducts business and engages with stakeholders.

This report covers Thermax's philosophy on corporate governance, policies, details on appointments, various Board committees, nominations and remuneration of the Board and senior management, and the emphasis laid on compliance with the code of conduct and ethics by the Board and senior management. For detailed information, refer to page 68.

Principal Activities

Thermax is a utility partner to both industrial and commercial clients. Its business activities are diversified across business segments and markets.

OUTPUT/OUTCOMES

Enabling Functions

- Business Technology Group
- Corporate Administration
- Corporate Health, Safety and Environment
- Corporate Communications
- Corporate Finance
- Corporate Marketing
- Corporate Sourcing Group
- Corporate Field Support Staff
- Employee Relations
- Export Import (EXIM)
- Factory Management Group
- Human Resource
- Internal Audit
- Operational Excellence
- Research, Technology and Innovation Centre

FINANCIAL CAPITAL

- Total Income (Rs. crore): **5,831**
- Profit After Tax (Rs. crore): **212**
- Operating Cash Flow (Rs. crore): **326**
- Operational EBITDA (Rs. crore): **440**
- Earnings Per Share (Rs.): **18.87**
- Remuneration Including Retirement Benefits to Employees (Rs. crore): **799**
- Contribution to Exchequers (Rs. crore): **372**

MANUFACTURED CAPITAL

- Fixed Asset Turnover Ratio: **4.23 Times**

For Customers

- Total Power Generation: **771 MW**
- Power Generated Through Assets Operated and Maintained by Thermax: **4,244 GWh**
- Environment-Friendly Vapour Absorption Cooling: **91,699 NTR**
- Air Treated Through Air Pollution Control System: **64 Million m^3/hr**
- Water Treated and Recycled: **145 MLD**
- Heating Solutions: Quantity of Heating Done: **5,115 MWth**
- Total Chemicals Manufactured: **41,650 MT**

HUMAN CAPITAL

- No. of Whistle Blower Complaints Resolved (Employee Practices): **13 Received & Resolved**
- No. of Anti Sexual Harassment Act Complaint Received and Resolved: **Nil**
- Regrettable Attrition Rate: **4.6%**
- Value Added Per Rupee Employee Cost (VAPREC): **Rs. 3.3**
- Lost Time Injury Frequency Rate (LTIFR): **0.18**
- % of Employees with Tenure in Thermax > 10 Years: **27.9%**

INTELLECTUAL CAPITAL

- No. of Patents Applied and Granted: **Applied - 7, Granted - 21**
- No. of Trademarks Registered: **Applied - 34, Registered - 63**
- Digitalisation
  a) No. of Customer Processes/nternal Processes Digitalised: **12**
  b) No. of Equipment with Remote Monitoring Functionality: **294**

SOCIAL AND RELATIONSHIP CAPITAL

- No. of Families Directly Benefitted Through CSR Around our Manufacturing Facilities: **1,638**
- No. of Student Beneficiaries of The School Project: **3,397**
- % Complaints Resolved: **96.4%**
- % Material Sustainably Sourced: **30.4%**
- No. of Active MSME Suppliers: **1,687**
- No. of Complaints Relating to Unfair Trade Practices, Irresponsible Advertising or Anti-Competitive Behaviour Against the Company: **Nil**
- No. of Orders Through Channel Network: **6,825**

NATURAL CAPITAL

- Carbon Emission Reduction (tCO_2e): **2,231 tCO_2e**
- Energy Savings (Energy Conservation and Efficiency Improvement Projects Implemented at Thermax Facilities): **13,483 GJ (3,745 MWh)**
- Water Reused and Recycled (Domestic): **2,70,335 m^3**
- Rainwater Harvested: **35,950 m^3**

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global Economy

The financial year 2019-20 began with apprehensions of a slowdown, mainly over the US-China trade war and concerns over Brexit, and ended with an almost catastrophic blow to the world economy because of the novel coronavirus pandemic. The combination of these factors made 2019 the year of slowest growth since the financial crisis of 2008. In its April 2020 outlook, the International Monetary Fund (IMF) calculated a global economic growth of 2.9% in 2019, down from 3.6% in 2018, and negative growth of 3% in 2020. The slower growth was attributed to a lag in global manufacturing and trade, muted economic activity in a few emerging markets and international trade disruptions.

The ongoing efforts of mitigating the slowdown were derailed by the COVID-19 virus which first came to light in China in December 2019 and has now spread to more than 190 countries. To save human lives through self-isolation, all activities barring the most essential were shut down in many countries, causing a massive erosion of employment and income, and hitting most business sectors. A long-term impact on consumer demand and investor confidence as well as the global supply chain is unavoidable. According to an analysis from the United Nations Conference on Trade and Development (UNCTAD), commodity-rich exporting countries will face a USD 2-3 trillion drop in investments in the next two years. IMF has projected that the global economy will grow by 5.8% in 2021 supported by fiscal and monetary measures, provided the contagion recedes in the second half of 2020.

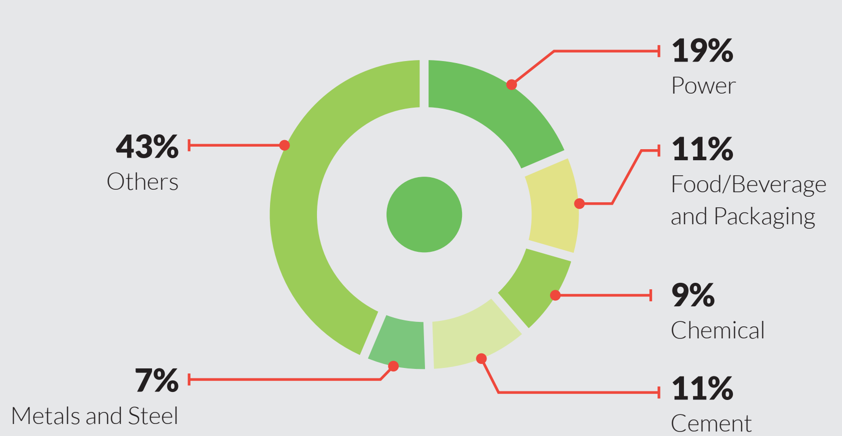
For the first three quarters of FY2019-20, the sharp decline in global growth impacted investment for capacity building in core sectors such as cement, metals, and power. Lower crude oil prices called for no major expansions or greenfield projects in the refinery sector, except for a couple of government approved tenders in line with the fuel shift drive in India. Moving into Q4, investments were expected to pick up in South East Asian and SAARC economies both for products and projects, including expansions in the refinery sector. Isolated enquiries were witnessed for larger projects in Africa and South America but have been delayed. However, the onset of the global pandemic deranged the company's order booking in this quarter, especially in March. Consequently, the international order booking for the company remained subdued during the year.

Indian Economy

On the domestic front, the macro conditions remained weak due to factors such as non-banking financial sector crisis, liquidity crunch, lower GST collections and strain on fiscal deficit. Key economic parameters like consumption, investment and export plunged significantly over the year, bringing down the total growth. The already stressed economy was battered by the coronavirus pandemic in Q4, as India enforced a nationwide lockdown, one of the strictest in the world. The economy expanded by 3.1% in Q4 and dragged the full year FY2019-20 GDP growth to 4.2%, weakest since the financial crisis hit more than a decade back. India's industrial output in FY2019-20 contracted 0.7% over FY2018-19, which was primarily driven by a severe fall of 16.7% in March, because of the closure of a large number of factories during the lockdown. All major sectors registered a considerable degrowth year-on-year.

Capital goods being a derived demand sector, Thermax's growth depends on the investments in core sectors of the economy. As shown below, the following sectors contributed to the order booking of the company during the year under review.

Sector Wise % Order Booking



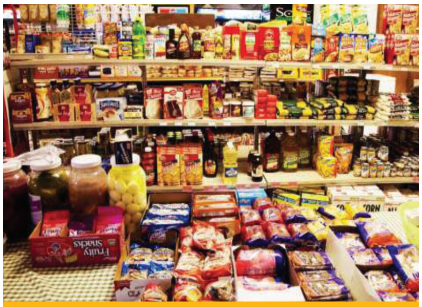
POWER

Based on data from the Central Electricity Authority (CEA), India targets a power generation capacity of around 480 GW by the end of FY2021-22 from 370 GW as of March 31, 2020, and of this, renewables will contribute about 175 GW. As a signatory to the COP 21 agreement on climate change, India has pledged that by 2030, the greenhouse gas emission intensity of its GDP will be reduced by 33-35% below 2005 levels and 40% of its power capacity would be based on non-fossil fuel sources. The Union Budget 2020-21 allotted Rs. 2,516 crore for solar power - a 10.35% increase over the last Budget, apart from Central Financial Assistance for a capacity addition of 7,500 MW of solar power in FY2020-21. This strong government focus on renewables is expected to offer new opportunities for Thermax.

Compliance with new emission norms requires that existing thermal power plants be retrofitted with auxiliaries such as Flue Gas Desulphurisation (FGD) systems. To ensure uninterrupted power supply, the implementation is slated to be carried out in phases, covering around 160 GW of power plant capacity. The market size of FGDs is expected to be Rs. 650-800 bn over the next four years. This opportunity augurs well for the company, with the possibility to translate it into orders for FGD from customers operating thermal power plants and from select cement customers.

However, it is likely that in FY2020-21, private power distribution companies will revisit their capex plans. According to an estimate by Confederation of Indian Industry (CII), the nationwide lockdown could result in total demand compression of up to 36 billion units of electricity, implying a net revenue loss of around Rs. 30,000 crore at the discom level. The commercial and industrial sector in India consumes around 52% of electricity, followed by 24% by domestic households and 18% by the agriculture sector. The higher tariffs are borne by the commercial sector, thereby significantly denting the collections of discoms. Push towards energy efficiency is likely to spawn opportunities for cogeneration solutions, where power and steam are generated simultaneously.

Notwithstanding the medium and long-term prospects, renewable energy capacity addition is likely to be impeded by the COVID-19 crisis. Solar projects, largely dependent on imported modules from China and Malaysia, will be impacted due to raw material shortage, production delays, supply chain disruption and the recent stand-off with China. As per industry reports, India is expected to add only 5,000 MW of solar capacity in the year 2020, nearly 32% lower than 2019, due to extended project timelines. Additionally, inconsistencies in net metering policy across different states pose significant challenges for rooftop solar.



FOOD, BEVERAGE AND PACKAGING

The fast moving consumer goods (FMCG) sector is also currently facing challenges. High unemployment, rising inflation rates and a minimal uptick in income levels are taking a toll on urban demand. With domestic consumption contributing to almost 60% of India's GDP, steps are being taken by the government to revive consumption. The Union Budget 2020-21 announced reforms such as a change in the income tax slab to ensure more free income in the hands of the new earners. This, along with an emphasis on targeted measures for boosting the rural economy, is expected to have a twin positive impact on consumption. Budgetary incentives to boost investments in the dairy industry are also expected to support revival of the rural economy and domestic consumption. Till the onset of COVID-19, expected consumption growth was likely to stimulate investments in capital goods by FMCG, food processing and dairy sectors. However, limited mobility to prevent the COVID-19 spread and rising unemployment may derail sales, leading to the postponement of capex plans by consumer-facing companies.

CHEMICALS

The chemical industry has witnessed a positive momentum, maintaining a CAGR of 17% between 2016 and 2019, even when India's economy faced headwinds. Thermax's chemical business was a beneficiary of this growth with opportunities predominantly for its performance chemicals in the developed markets. The growth is likely to continue despite the economic challenges that caused India's GDP growth rate to drop substantially. Chemical companies can also benefit from rising domestic demand in chemical end-use sectors, many of which fall under the 'essential goods' category which is expected to be less impacted by the economic slowdown and COVID-19 crisis. India's attractiveness as a manufacturing destination, given the trade conflicts, especially among China, the United States, and Western Europe and its improved ease of doing business, are some of the other positive factors.

CEMENT, METAL AND STEEL

The infrastructure sector has been the biggest focus area for the government. The National Infrastructure Pipeline has lined up 6,500 projects across key sectors while the Union Budget 2020-21 has proposed the development of 2,500 km access control highways, 9,000 km of economic corridors, 2,000 km of coastal and land port roads and 2,000 km of strategic highways. The thrust on road construction has fuelled demand for the company's waste heat recovery based captive power plants from the cement industry. Infrastructure development also generated enquiries for capital goods from the sponge iron industry. While the demand from the steel industry remained muted due to stressed balance sheets of several steel companies, supply constraints from China could result in an uptick of domestic demand. However, the lockdown has resulted in various infrastructure project sites staring at closure owing to labour shortage and supply chain disruptions. The existing grave fiscal situation in the construction sector for both the Centre and states further implies that continued funding of infrastructure capital expenditure will be a challenge in the near future. Additionally, as focus shifts towards rolling out of relief packages to help overcome the loss of income due to the crisis, it may undermine the government's ability to spend on infrastructure projects over the next one or two years.

Thermax's CFBC boiler clocks 674 days of uninterrupted operation at a large petrochemical complex in Gujarat

Outlook

Against a backdrop of muted growth in global and domestic economies further disrupted by the onset of the global pandemic, the company foresees a couple of challenging years ahead. Low growth in core sector industries has curtailed fresh investments in capacity building. Additionally, substantial Non Performing Assets (NPAs) in the banking and Non-Banking Financial Company (NBFC) sectors are affecting liquidity in the market. Stretched balance sheets of several conglomerates are further dampening private capacity enhancement. Moreover, the outbreak of the pandemic has resulted in industries shifting from expansion to survival mode; thus, fresh capex investments are unlikely in the short term. As and when business expansion takes place, it is likely to happen in a staggered manner, with FMCG and consumption related sectors expected to be the first off the blocks followed by white goods, automobile and construction sectors. Only when consumption gains momentum will investments be made in capacity building. However, as capex gets deferred, Operation and Maintenance (O&M), replacement demand and shift to renewables in line with government regulations may offer new opportunities for Thermax. Amidst all the disruption and economic fallout, there is also the prospect for India to emerge as the new investment destination as companies globally look to relocate their manufacturing hubs. The *Atmanirbhar Bharat* initiative, a massive government stimulus package as well as a move towards making India more self-reliant in the post-COVID world, may also encourage domestic investments.

Focus on capitalising opportunities from reviving sectors – dairy, food processing, chemical & fertilisers and pharmaceuticals; improving order booking from the international market; revenue recognition from the existing order book; sustaining margins through robust execution capabilities; and improving O&M footprint backed by strong internal cost control measures should support Thermax in navigating this unprecedented crisis.

The Power business bagged its largest O&M contract for a 90 MW captive cogeneration power plant

COMPANY OVERVIEW

Thermax Group is an engineering and capital goods major headquartered in Pune, India. The group operates with 7 wholly owned subsidiaries in India and 23 wholly owned overseas subsidiaries.

The company operates through three business segments: Energy, Environment, and Chemical. The wide range of products and services can be grouped as follows:

- Standard and custom-built products
- Projects and Engineering, Procurement and Construction (EPC) solutions for larger non-standard products
- Lifecycle and Operations and Maintenance (O&M) services

OPERATIONAL PERFORMANCE

In FY2019-20, Thermax Group's total income stood at Rs. 5,831 crore, compared to Rs. 6,123 crore in FY2018-19. The decline of revenue was due to slowdown in the global and Indian economy, further impacted by the COVID-19 outbreak.

The international business for the group decreased 25% to Rs. 1,969 crore from Rs. 2,636 crore in the previous financial year due to limited capacity expansion, especially large projects in the target markets.

The group reported a consolidated order booking of Rs. 5,498 crore in FY2019-20, compared with Rs. 5,633 crore in the previous year. International order booking stood at Rs. 1,470 crore in comparison with Rs. 1,984 crore, contributing about 26.7% of the consolidated order booking in FY2019-20 as compared to 35.4% in FY2018-19. The company has been focussing on expanding its footprint in the international market, while restructuring its international business.

The Boiler and Heater business has been transferred to Thermax Babcock & Wilcox Energy Solutions (TBWES) through a slump sale, post acquisition of shares in TBWES, effective October 1, 2019.

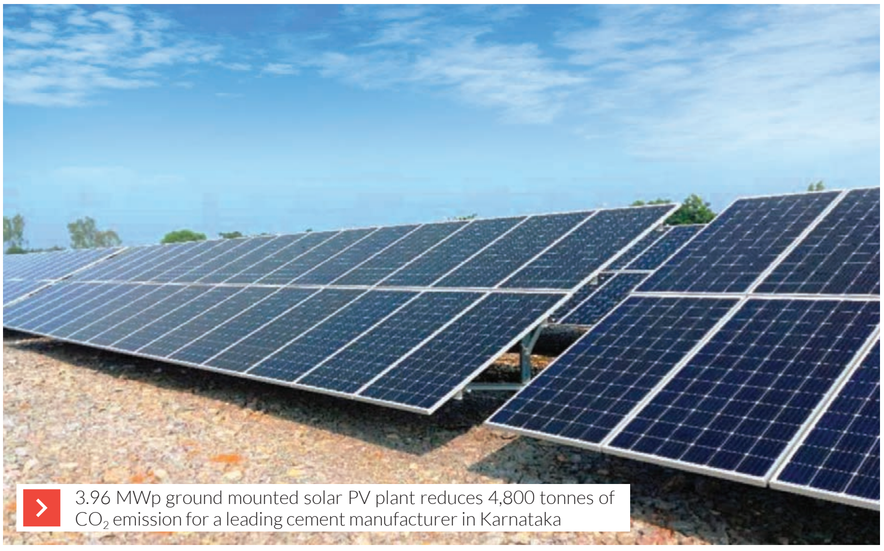
BUSINESS SEGMENTS OF THE COMPANY

This section comprises the segment wise performance of the group, along with that of the related subsidiaries.

Energy Segment

Energy needs are growing around the world, and increasing levels of energy efficiency and sustainability are expected from core and allied businesses in this sector. With its range of energy efficient and environment friendly solutions, Thermax is well equipped to support these objectives.

The Thermax Energy segment comprises Process Heating, Absorption Cooling and Heating, Boiler and Heater and Power (EPC and Solar) businesses and related services. Under the Process Heating business, the company offers packaged boilers, thermal oil heaters, heat recovery boilers and hot water generators. Thermax is among the leaders in vapour absorption cooling and heating systems, with its chillers used worldwide for industrial refrigeration, air conditioning, process cooling and heating. Thermax Cooling Solutions Limited (TCSL), a wholly owned subsidiary, offers a range of wet and dry cooling solutions for energy efficient heat removal from process and manufacturing industries. TBWES, a 100% subsidiary of Thermax, provides steam generation solutions for process and power needs, and offers renovation and modernisation services for old boilers and process furnaces. The company has domain experience in setting up captive power, cogeneration and trigeneration plants on an EPC basis, with an installed base of more than 3,300 MW. The company is leveraging this capability for solar installations across various industries. Investments in digital capabilities and R&D have been increased for driving sustainable solutions across its growing portfolio of products and services. Thermax and its group companies have supplied global markets with heating and cooling systems and power plants generating energy from renewable sources such as biomass, waste heat from industrial plants and solar energy.

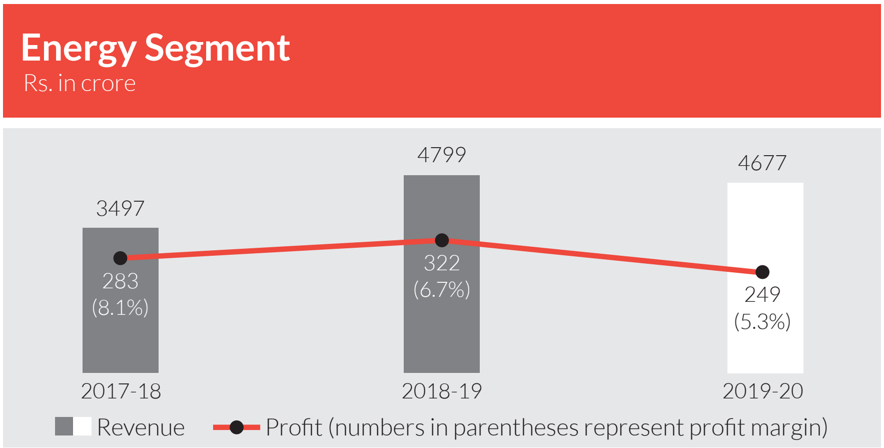


3.96 MWp ground mounted solar PV plant reduces 4,800 tonnes of CO_2 emission for a leading cement manufacturer in Karnataka

Drivers
• Expected FDI inflow post COVID-19 pandemic can result in new business opportunities in the domestic market
• Increased focus on waste heat recovery projects due to improved payback with lower interest rates
• Conducive policies surrounding climate change and renewable energy
• Sustainability and water consumption regulations will increase demand for dry cooling solutions
• Demand for cooling arising from global warming and urbanisation
• Increased demand in food processing, pharmaceutical and chemical industries in developing countries will drive the growth of product business
• Energy efficiency measures present retrofit opportunities
• Demand for EPC, solar and waste heat recovery plants due to increased focus on energy efficient solutions
• EPC for captive power and cogeneration in the international markets

Focus Areas
• Leveraging sale of products, or steam on hire, Industrial Internet of Things (IIoT) for remote services and O&M
• Modularisation in international markets for reduction in onsite construction work
• Products and niche applications of vapour absorption machines globally with special focus on food and beverage, pharmaceuticals, chemicals and fertilisers
• Visibility for non-standard products such as heat pumps, heat transformers and hybrid chillers
• Improve on-time performance and productivity while reducing costs
• Increase domestic market reach for solar and battery storage
• Provide efficiency improvement solutions for large boilers and heaters
• Work with OEMs, process licensors, distributors, packagers, industrial associations and HVAC and other consultants in target markets to gain market share for both absorption cooling and process cooling products
• Enter refrigeration market by proliferation of hybrid chillers (negative temperature) and process cooling products
• Provide industrial process integrated absorption machines for heating and cooling applications

Performance FY2019-20



The Energy segment contributed 80.4% (79.4%) of the group's gross operating revenue in FY2019-20. Operating revenue (net) at the group level stood at Rs. 4,677 crore (Rs. 4,799 crore) for the year, while segment profits for the same period stood at Rs. 249 crore (Rs. 322 crore). The order booking for FY2019-20 stood at Rs. 3,280 crore, lower than the previous year's figures of Rs. 4,476 crore. Despite opening the year on a promising order book, the revenue recognition was impacted severely due to the onset of the pandemic in the crucial last month of the financial year. Muted enquiries from the core sectors during the year resulted in no major project orders being concluded. The FY2020-21 outlook for the segment continues to be challenging.

Environment Segment

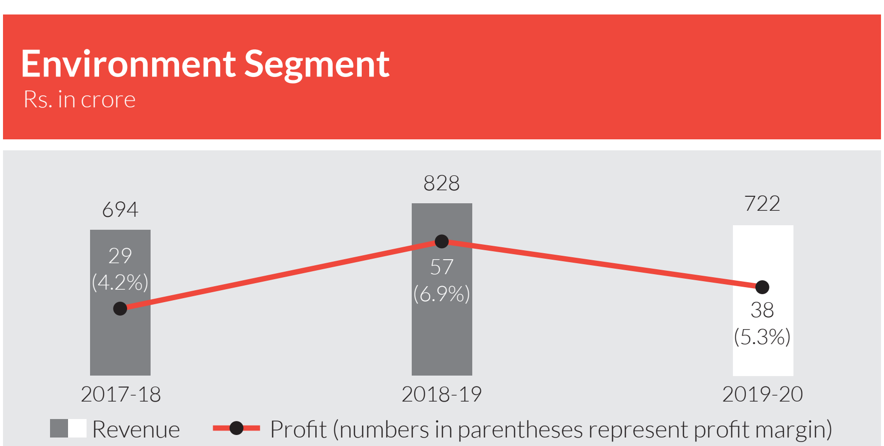
Drivers
• Enforcement of emission norms globally
• Fuel shift from coal to biomass or agro-based fuels
• Stringent regulatory discharge norms
• Market demand for prefabricated/plug-and-play water and waste treatment products

Focus Areas
• Effective lifecycle management of products and solutions with emphasis on predictive maintenance
• Develop air pollution control solutions to handle gaseous pollutants
• Continued focus on digitalisation and remote monitoring of products and systems
• Focus on plant modernisation projects for improvement and upgrades
• Positioning as an end-to-end water management services provider

Environmental norms for process-driven industrial sectors are getting stricter and more closely regulated, with serious concerns over air pollution and effluent management. Thermax's solutions for controlling emission and for minimising waste discharge and maximising recycling are a strategic fit in helping customers reduce their impact on the environment. Thermax offers air pollution control systems for both particulate and gaseous emissions to a wide range of industries – cement, steel and ferrous metals, power generation, chemical, fertilisers, etc. The Water and Waste Solutions (WWS) business supports industrial and commercial establishments to treat water for their process requirements and to clean sewage and effluent; often recycling the water, especially where there is a shortage of water. Led by its expertise in handling various pollutants and fuel firing conditions, the company's Enviro business has garnered sizeable market share in India and completed marquee projects in South East Asia which it plans to develop as a second domestic home market. The WWS business includes water treatment, wastewater treatment/recycling, zero liquid discharge solutions, sewage treatment/recycling and desalination plants. The business has to date completed over 20,000 installations. The growth of the Environment segment has been underpinned by the company's technological knowhow and customised solutions.

The segment accounted for 12.4% (13.7%) of the group's gross operating revenues in FY2019-20. Operating revenue (net) at the group level stood at Rs. 722 crore (Rs. 828 crore) for the year, while segment profits for the same period stood at Rs. 38 crore (Rs. 57 crore). As in case of the Energy segment, the Environment segment faced a similar challenge of revenue recognition in the last month. The order booking for FY2019-20 stood at Rs. 1,777 crore, higher than the previous year's figures of Rs. 741 crore. The order booking for the segment surpassed the Rs. 1,500 crore mark for the first time on the back of the two major FGD orders bagged during the year. Opening the year with a promising order carry forward, complemented with increased enforcement of emission norms and regulatory discharge norms are likely to augur the growth of the segment in the coming year.

Performance FY2019-20



Chemical Segment

The Chemical segment manufactures and markets a wide range of specialty chemicals to help improve processes across a spectrum of industries. It comprises the following: microporous resins, performance chemicals, paper chemicals, construction chemicals and oil field chemicals.

Thermax is recognised as Asia's leading manufacturer and exporter of ion exchange resins and is a pioneer in water and wastewater treatment chemicals.

The company's specialty chemicals serve a number of industrial sectors, with clients spread across the world.

The chemical manufacturing facilities are located at Paudh (Maharashtra), Jhagadia and Dahej (Gujarat). The facilities at Gujarat are established at par with global standards, which will help the company expand its business in promising international markets, supported by its well-earned reputation for customised and cost-effective solutions.

Drivers
• Significant headroom for growth owing to limited organised players and comparatively lower market share of the company
• Increase in demand for cartridge applications for specific contaminant removal
• Increase in demand for solvent-free and low Total Organic Carbon (TOC) resins for applications such as ultrapure water
• Investments in petrochemical sector is leading to opportunities for MEG (Monoethylene Glycol) and catalyst resins
• Accent towards recycling of water in the wake of global water crisis

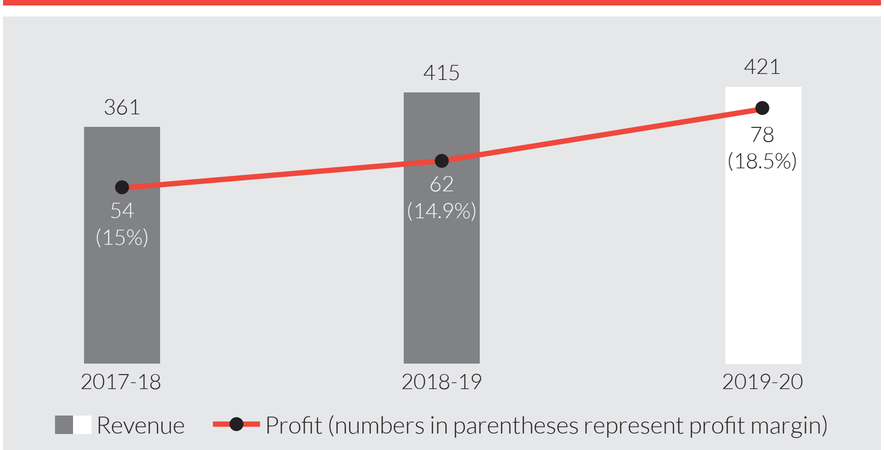
Focus Areas
• Expand dealer network into industrial areas and cluster in order to enhance reach
• Enhance customer contact to understand their processes and create specialty chemicals
• Nurture key accounts for long-term business association and partnerships
• Addition of premium specialty chemicals to the portfolio through merger & acquisition
• Drive technology tie-ups for bringing cutting edge construction practices to India

In the second phase expansion, Thermax ramps up the capacity at its chemical facility at Dahej to 22,000 m^3

Performance FY2019-20

Chemical Segment

Rs. in crore



In FY2019-20, the Chemical segment accounted for 7.2% (6.9%) of the group's gross operating revenue. The Chemical business segment posted operating revenue of Rs. 421 crore (Rs. 415 crore). The profit for the segment was Rs. 78 crore as compared to Rs. 62 crore in the previous fiscal. The profitability of the Chemical segment has improved due to the increase in capacity utilisation, efficient sourcing and lower cost of key raw materials. Order booking for the segment in FY2019-20 stood at Rs. 441 crore. The Chemical business achieved growth in revenue, attributed to a healthy order booking from domestic and international customers in FY2019-20. The business is expected to continue its growth momentum in the coming year on account of demand from the US and European markets providing essential goods and services and growth in the pharmaceutical and food & beverage sectors in the domestic market.

SUBSIDIARIES

The MDA captures the growth trends and outlook of only those subsidiaries that have a reasonable impact on the segmental performance. The comprehensive details on each subsidiary are available in AOC-1, on page 298.

Energy Segment

Thermax Babcock and Wilcox Energy Solutions Pvt. Ltd.

The project business of Heating viz. large Boiler & Heater subset (B&H) was transferred to the Thermax Group's wholly owned subsidiary Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. (TBWES) effective October 1, 2019. With this transfer, TBWES becomes a fully integrated boiler company offering boilers suitable from 6 MWe to 800 MWe power generation and heaters up to 100 Mn Kcal/Hr size, firing variety of solid fuel (biomass, crop residue, coal, lignite, pet coke, waste fuels, etc.), oil/gas, as well as waste heat solutions. TBWES will offer a wide range of technologies such as stoker firing, Atmospheric Fluidised Bed Combustion (AFBC), Circulating Fluidised Bed Combustion (CFBC), pulverised coal burner firing with an access to a state-of-the-art manufacturing facility. During the year, TBWES completed supply of the large modularised auxiliary boilers as a part of its largest export order from the biggest refinery in Africa, reducing construction time at site from 6 months to 21 days. TBWES also offers a wide range of services to support the life cycle operation of its entire range of boilers and heaters. As a part of services, TBWES is using IIoT, to enable commissioning of boilers remotely as also enhancing its value add to customers by providing remote assistance to improve performance and reliability. The outlook for the next year appears challenging due to a tepid order book at the start of the year and limited project announcements on the anvil.

Danstoker A/S (Denmark)

Danstoker A/S, a step-down subsidiary is engaged in the business of design, production and sale of predominantly biomass boilers and related equipment to the European market, including rebuilding and servicing of boilers. Danstoker Denmark incurred losses due to cost overruns during the year. Concerted efforts are being made to improve operations and reduce cost, which will help in improving profitability.

Boilerworks A/S (Denmark)

Boilerworks A/S, a part of Danstoker Group and a step down subsidiary of the company, specialises in the manufacture and supply of high pressure boilers and components for power plants, waste and biomass fired plants, industrial and petrochemical plants. The subsidiary continued to incur a loss in FY2019-20 but relatively lower than that in the previous fiscal owing to the decision of discontinuing large project execution with the possibility of cost overruns. With such projects nearing conclusion and focus on service jobs, accompanied with fixed cost reduction, Boilerworks A/S is expected to improve its financial performance in the current fiscal. The lower impact of COVID-19 on the Scandinavian economy as compared to the rest of the world will sustain the momentum of business opportunities for Boilerworks A/S.

Danstoker Poland Społka Z Ograniczona Odpowiedzialnoscia (DSPL)

DSPL is a step-down subsidiary of Danstoker A/S and is engaged in the design, manufacturing and supply of boilers, hot oil heaters and other related equipment to the Eastern European region, including for Danstoker A/S Denmark. Danstoker Poland has acquired a good learning in manufacturing high quality products. With significant improvement in 'Right First Time' manufacturing, it is expected to provide low cost manufacturing muscle to the company's European business. Additionally, DSPL has been focussing on getting direct orders from the local and neighbouring markets, which will improve its financial performance in the current year.

PT Thermax International, Indonesia (PT TII)

PT TII is a subsidiary of Thermax Engineering Singapore Pte Limited and is engaged in the design, manufacturing, supply, installation, commissioning and servicing of boilers, heaters and other related equipment with a focus on serving the South East Asian region. PT TII had an improved revenue and lowered its losses as compared to the previous fiscal. The entity has gained experience in the execution of large projects in the current year, which has been institutionalised and will enable it to garner better returns from future projects. However, due to the subdued economy in Indonesia and major markets of PT TII, the order booking was not close to desired levels in FY2019-20 and the outlook appears challenging.

Thermax (Zhejiang) Cooling & Heating Engineering Co. Limited, China (TZL)

TZL closed its manufacturing facility in China during the year, disposing of its land and building, however, continued to maintain its service office to support existing customers.

Other Subsidiaries

Thermax Onsite Energy Solutions Limited (TOESL)

TOESL, a wholly owned subsidiary, is engaged in the build-own-operate (BOO) business of providing green, sustainable solutions by supplying utilities such as steam to its customers.

Apart from several contracts for steam and heat supply, the subsidiary commissioned its first plant for supplying treated water to a polyester company in Maharashtra during the year. The company also won its maiden order for providing solar power to a pharmaceutical packaging company in Maharashtra. The company partnered an FMCG major in its decarbonisation strategy and is currently installing two large biomass waste boilers under the BOO model at the customer's Gujarat manufacturing facility.

Continued focus on agro-waste steam and heat solutions coupled with expansion in the renewables space, further buoyed by the slowdown in capex plans of customers would provide growth opportunities for TOESL in the current fiscal.

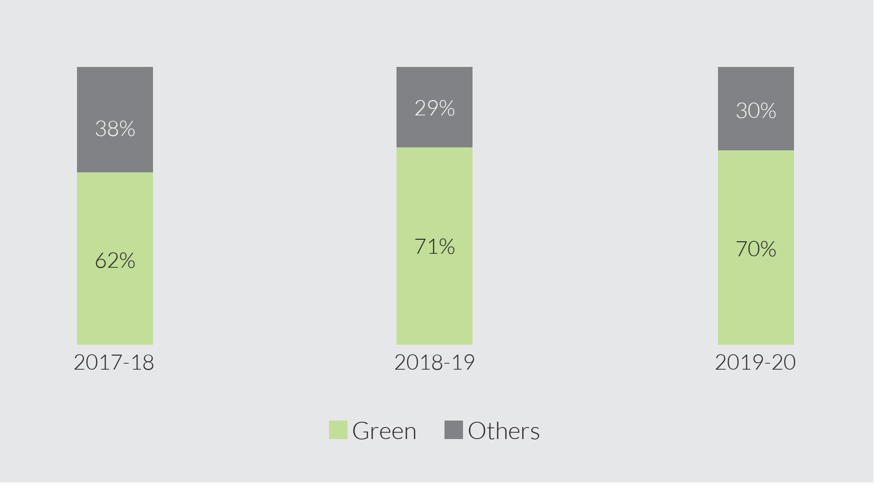
Thermax Inc. (USA)

Thermax Inc., a step-down subsidiary in the USA is the sales and service arm of the company and operates in two segments - Energy (sales of absorption chillers) and Chemical (sale of ion exchange resins). The subsidiary registered a flat revenue in FY2019-20 on account of the slowdown in the chillers business. With encouraging prospects for both Energy business in new markets and the Chemical businesses, the outlook for the subsidiary looks promising.

PERFORMANCE ON STRATEGY

1. Increase the Share of Green Offering in Line with the Company's Vision of Providing Sustainable Solutions

% Green Order Booking



The graph above represent the share of green offerings in the overall order booking of the Thermax Group. 'Green' is defined as orders which comprise utilisation of non-fossil fuels from the Energy segment, all orders booked by the Environment segment and non-fossil application based orders from the Chemical segment.

During the year, the share of green offering was 70% of the total order booked by Thermax as compared to 71% in the previous year. The share can be mainly attributed to the significantly high order booking of the Environment segment. Stricter emission norms announced to regulate SOx emissions from thermal power plants helped the business achieve a breakthrough of two Flue Gas Desulphurisation (FGD) system orders for power plants in India. With the capacity totalling 2,000 MW, the highest gas volume handled by the segment to date. The company is hopeful of pursuing more FGD orders in private and public sectors in future. The business also benefitted from opportunities arising out of strict implementation of emission norms in South East Asia particularly for palm oil producers, the segment that witnessed a surge in production. The EPC business received an order for the supply of a waste heat recovery power plant.

Unique applications based on heat recovery from industrial plants and processes developed by the Absorption Cooling and Heating business such as air cooled compressors, glass manufacturing and potato frying saw an upbeat, catering to customers' need of optimised energy costs.

Highlights of FY2019-20

Recovering Energy to Fuel Savings

To optimise its energy usage and reduce costs, a leading Indian tyre manufacturer opted for Thermax's hot water driven vapour absorption chiller. The replacement of electric chillers by our vapour absorption technology yielded waste heat recovery up to 76% of the total input energy and 92% reduction in energy requirement for cooling. The customer also achieved a significant carbon emission reduction of 646 tonnes/

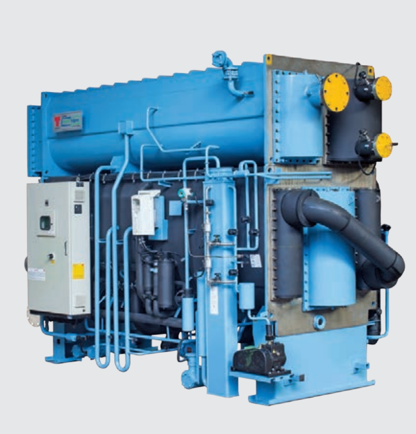
annum, equivalent to taking 129 cars off the road or planting 64,593 trees.

More Power Through Solar

Thermax's largest solar installation during the year was the commissioning of a 3.96 MWp captive ground mounted solar PV plant for a leading cement manufacturer at Karnataka. The installation was done on an undulating terrain and the plant grid was successfully synchronised with an 11 kW power evacuation system. This project is slated to help the customer achieve its sustainability goals by offsetting 4,800 tonnes of CO_2 emission, besides meeting its renewable power obligation.

Advanced Technology for Efficient Effluent Treatment Process

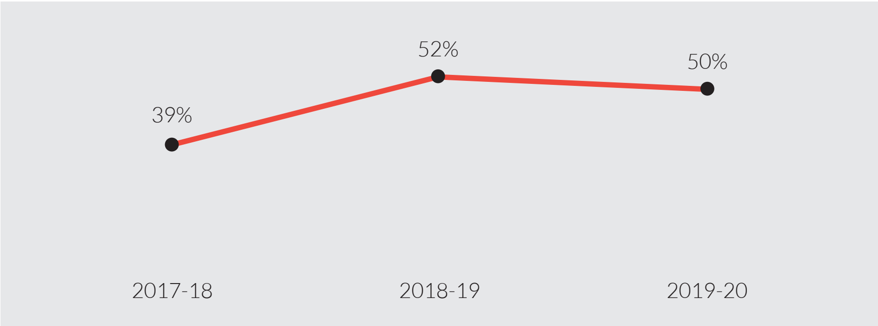
Thermax helped one of the major automotive engine manufacturers to achieve zero liquid discharge for the wastewater generated in their factory by deploying an advanced technology to remove contained oil, solids and other organic compounds. This was earlier being done through a combination of chemical and biological treatment, consuming significant energy and space. A system with a special arrangement for controlling noise levels was also incorporated in this project.



Thermax's 58 TR hot water driven vapour absorption chiller at an Indian tyre manufacturing plant recovers heat from the air-cooled compressor and utilises it for cooling application in the plant

2. Mitigate the Cyclicality in Projects Business by Increasing Share of Business from Products and Services

% Order Booking from Products and Services



During the year, 50% of the company's order booking came from products and services, consistent with last year's mix. The order booking from products and services was Rs. 2,746 crore as compared to Rs. 2,998 crore in the previous fiscal.

The standard products of the Heating business - small packaged boilers - continued to witness opportunities from the consumption oriented sectors. The service business continued to grow on the back of growth of product business. The mix of spares and services proved to be a favourable model for the business.

The TBWES services business intensified its focus on the spare parts business. It is widening its offerings to include boiler re-deployment, repowering, rejuvenation and refuelling projects.

The ion exchange resin business registered a marginal increase in top line over last year, while the performance chemicals business registered a substantial growth over the previous year with 100% retention of annual contracts of major customers. Breakthrough orders came from steel and refinery segments. Construction chemicals also witnessed a commendable increase in revenue over the last financial year and this momentum is expected to continue in this year.

Innovation and new applications in sectors such as food & beverages, chemical and fertilisers were the main drivers for the growth of the Absorption Cooling and Heating product business. Its Remote Online System Support (ROSS) is now connected to around 547 chillers across the globe. The technology is being highly appreciated by customers for its remote diagnosis capability. Proactive maintenance followed by issue identification has ensured continued productivity in many customer plants till date. Businesses leveraged digitalisation to monitor customer complaints through the Salesforce.com Service Cloud leading to improved responsiveness and efficiency in managing complaints, while effectively tracking and eliminating recurring complaints.

During the year, the Water and Waste Solutions business developed several new products such as in-house multi-effect evaporators (for zero liquid discharge systems), prefabricated systems and portable water testing kits. As a value-add, plant audit service was extended to customers and spares business was enhanced with focus on on-time delivery.

The Power O&M services acquired new customers including one of its largest orders in the domestic segment during the year. The business is focussing on growing its portfolio of value-added services to customers and expanding its presence in the international market.

Highlights of FY2019-20

600+ Days of Continuous Operation

Since 2016, TBWES O&M team has been providing boiler upkeep services to a large petrochemical complex in Gujarat. One of the Thermax CFBC boilers and associated ESP at the complex recorded 674 days of continuous operation till it had to be stopped due to the nationwide lockdown. To ease the operational challenges of such a large steam generation complex, all the units were put on automatic control. With close to two years of uninterrupted operation, this performance is a benchmark for any CFBC boiler globally.

Largest O&M Order of 90 MW

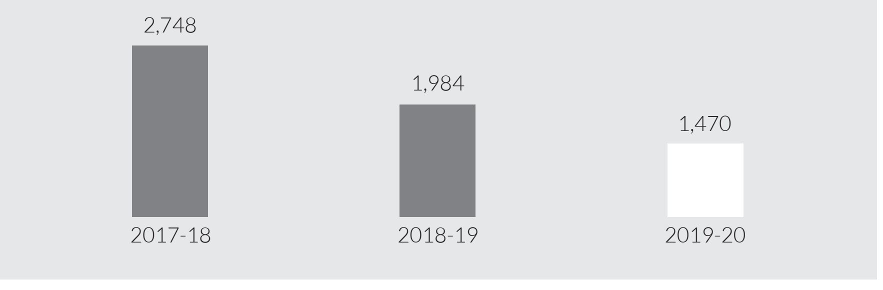
The Power O&M business bagged its largest contract encompassing operation and maintenance of a 90 MW captive cogeneration power plant, including non-Thermax make equipment. The company created a benchmark by taking over the plant within a short time of 15 days, which included deploying and onboarding almost 350 personnel and staff, ensuring continuity and smooth operation of the plant.

Thermax Electrostatic Precipitator (ESP) at a power producing major in the Philippines

3. Reduce Dependence on Domestic Market Through Selective Internationalisation

International Order Booking

Rs. in crore



The international order booking was Rs. 1,470 crore in FY2019-20 as compared to Rs. 1,984 crore in FY2018-19, mainly due to slowdown in investments witnessed globally and no large project orders received during the year.

The international business of Absorption Cooling and Heating witnessed a good track of orders from the US, Nigeria, Saudi Arabia, and Bangladesh this year. The division has closely collaborated with HVAC and CPHC consultants and several OEMs in various markets. While the international projects business continues to be challenging in Europe, the business has entered new geographies such as Bolivia, Columbia, Puerto Rico and Egypt with a few good orders. The Chemical business bagged significant orders from large OEMs in the U.S. and Europe for water treatment and process applications.

Thermax bagged an international project in the Middle East for setting up a power plant on an EPC basis, besides commissioning yet another EPC project for a leading biomass based independent power producer in South East Asia.

Highlights of FY2019-20

Largest Overseas Order for Electrostatic Precipitator

The Enviro business commissioned an Electrostatic Precipitator (ESP) for a leading power producer in the Philippines as well as in South East Asia. This ESP is the largest overseas installation by Thermax, done on a 410 TPH CFBC boiler. The high point of the project was supplying the precisely engineered ESP structure along with a 75 meter tall stack by way of sub-assemblies and commissioning the entire edifice at the customer's end and complying with all safety norms.

FINANCIAL PERFORMANCE

In FY2019-20, Thermax Limited, on a standalone basis, registered a total income from continuing operations of Rs. 3, 319 crore as compared to Rs. 3,664 crore in the previous year. The total income of Thermax Group was Rs. 5,831 crore (Rs. 6,123 crore). The group's profit before tax and exceptional items for FY2019-20 stood at Rs. 375 crore as compared to Rs. 501 crore in the previous year. The net cash inflow from operations is Rs. 326 crore (Rs. 115 crore outflow).

The company and its Indian subsidiaries have computed the tax expense of the current financial period as per the tax regime announced under section 115BAA of the Income-tax Act, 1961. Accordingly, (a) the current and deferred tax expense for the year ended March 31, 2020, has been determined at the rate of 25.17% and (b) the deferred tax assets as at April 1, 2019, (on brought forward losses and other items) have been written down considering the enacted rate of 25.17%.

During the year, the company has declared interim dividend of Rs. 7/- per equity share on March 13, 2020 and same was paid on March 18, 2020.

KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018)(Amendment) Regulations, 2018, the company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratios.

Particulars	Thermax Limited (Continuing Operations)		Thermax Group	
	FY2019-20	FY2018-19	FY2019-20	FY2018-19
Debtors Turnover ratio	3.67	3.33	3.88	4.30
Inventory Turnover ratio	7.61	8.34	6.41	7.62
Interest coverage ratio	48.81	61.48	25.94	35.98
Net Profit Margin	4.9%	4.4%	3.6%	5.3%
Current Ratio	1.45	1.48	1.43	1.30
Return on Capital Employed	9.3%	11.8%	13%	14%
Return on Net worth(RONW)	5.9%	5.9%	7%	11%

Lower revenue and profit in Energy and Environment segments have resulted in lower Net Profit Margin, Return on Capital Employed and Return on Net Worth.

OPPORTUNITIES AND THREATS

Opportunities

1. The growing global energy demand, especially with a focus on increasing the share of renewables in the energy mix, and continuous research and development for creating alternative fuel sources constitute the biggest growth impetus for the company.

2. Industrial production contributes just over half of all global energy consumption and this is expected to grow by 1.5% worldwide each year till 2035. This indicates the potential demand for solutions that reduce the carbon footprint and the cost of industrial energy consumption. The trend is expected to catapult the demand for the company's Energy segment where energy efficiency and waste to energy will be huge drivers for business growth going forward.

3. Environment, sustainability, and circular economy are becoming mandatory focus areas for all nations after the signing of COP21 and COP24 agreements on mitigating climate change. Stringent environmental norms implemented across the world will significantly aid the Environment segment of the company.

4. The global requirement for new air pollution control systems owing to the revision of emission norms will be a major opportunity. Air quality control equipment has been made mandatory for SOx emitting industries in many countries. This has increased the demand for FGD system, which reduces SOx in flue gas through chemical treatment. The company sees a high demand potential for its environment solutions due to this policy change.

5. Growth in the global food processing industry because of growing urbanisation and consumerism will be a growth driver for Thermax solutions.

6. With the ZLD norms getting stricter, there are opportunities for effluent treatment and multiple effect evaporator chemicals. Water recycling will be another key focus area for all industries, and the company considers it to be a significant driver for its Water and Waste Solutions.

Threats

1. In the current scenario, the COVID-19 pandemic and the lockdown are the biggest threats to the company. The pandemic has not only hampered the supply chain but has also created a serious scarcity of manpower because of the migration of labour and physical distancing norms. The virus will affect consumer and investor sentiments for a year or two, and is likely to have a negative impact on the company's performance in the next fiscal, since larger project order booking will be hampered.

2. Geopolitical tensions and trade war between major economies pose some threats to the company's international operations and supply chain.

3. In India, liquidity crunch for banks and non-banking financial companies, loan defaults, and negative consumer and investor sentiment are possible hurdles.

4. Highly leveraged balance sheets of several organisations further impacted by the COVID-19 pandemic has tightened the cashflow situation, which will impact capex investments significantly.

RISK MANAGEMENT

The company has an Enterprise Risk Management (ERM) framework in place for identification, assessment, mitigation and reporting of risks. The Risk Management Council and Committee of the company carry out a detailed review of key risks facing the company, its impact on strategic decisions and mitigation measures. The review of these risks is done based on the important changes in the external environment, which have a significant bearing on the risks. The company actively keeps track of changes in the domestic economic environment, geopolitical developments, key commodity prices such as oil, coal and steel, currency and interest movement. Apart from mitigation, these risks are also monitored for any emerging business. The details of the company's ERM framework are available on Page 52.

INTERNAL CONTROL

The company has an internal audit function which continuously evaluates the quality of its controls and the extent of compliance with them. The company has also introduced a process of control self-assessment by its operating managers. In addition, internal financial controls were specifically audited by an external audit firm. The company uses various enterprise resource planning packages in its operations that contain a variety of in-built controls. Careful analysis is done for variations between performance and plan. The company has a strong culture and processes that reduce the risk of unethical conduct. These include a clear code of conduct and whistle-blowing processes. Based on all of the above, the Board believes that the internal controls are adequate and that they operated effectively during the year. Similarly, the company has a process by which operating managers are kept up to date with legal amendments affecting their areas of operation. Operating managers confirm compliance with various provisions every month. Additionally, the internal auditors, the statutory auditors and the secretarial auditors check compliance with certain laws related to their areas of work. The company has a culture that reduces the risk of non-compliance with the laws. Based on the foregoing, the Board believes that the systems to ensure compliance with applicable laws are proper and that they operated effectively.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

Safety is of utmost importance to Thermax. The safety performance of the company is reviewed by the MD and CEO every quarter while Divisional Safety Councils regularly review the divisional performance. Necessary corrective and preventive actions are taken at the organisational level and by respective businesses to ensure high levels of safety performance.

During the year, TOESL received the ISO 14001:2015 certification for the first time by DNV GL while the Power EPC business was ISO 45001:2018 certified by Bureau Veritas. Transition audits from OHSAS 18001:2007 to ISO 45001:2018 were conducted by DNV GL for TOESL and the project arm of Heating business. Recertification audits of the Chemical plants at Paudh and Jhagadia as well as certification audit of the Chemical plant at Dahej for ISO 45001:2018 and ISO 14001:2015 were done by Bureau Veritas during the financial year.

Surveillance audits for OHSAS 18001:2007 certification was conducted by Bureau Veritas for WWS business and Thermax Engineering Construction Company Ltd. (TECC), a subisidary of Thermax. Thermax's manufacturing facilities at Chinchwad and Savli and assembly centre at Mundra were audited for OHSAS 18000:2007 and ISO 14001:2015 certification by DNV GL. The Enviro plant at Solapur and TBWES plant at Shirwal were audited by TUV:SUD and LRQA respectively for ISO 45001:2018 and ISO 14001:2015 certifications during the year.

1,691 internal audits and 31 external safety audits and inspections were carried out in FY2019-20. Special safety audits for fire prevention were conducted at office locations and manufacturing plants in Pune. All manufacturing and project locations have developed an emergency preparedness plan. They have also imparted training on fire prevention and control and conducted mock drills on emergency evacuation at plants and office locations.

Regular safety trainings are conducted for employees, contractors, vendors and suppliers. To transition from OSHAS 18001 to ISO 45001:2018, the first 'international standard' in occupational health and safety (OH&S) management, 20 safety officers and divisional coordinators were trained by TUV:SUD and Bureau Veritas during the year to become certified auditors.

The National Safety Council (NSC) conducted an internal auditor course on SHE (Safety Health and Environment) statutory compliance. Through this specialised programme recognised by NABET (National Accreditation Board for Education and Training), 24 safety officers and divisional safety coordinators from Thermax were trained as internal auditors.

The continued use of a mobile app on incident reporting has improved the reporting of leading indicators, which is helping in minimising the hazards and risks at plants and sites.

At manufacturing plants which are under the Environment Management System, a number of programmes on waste/ resource reduction were successfully implemented during the year.

HUMAN RESOURCE

During the year, the company focussed on learning, skill upgrading, leadership development, digitalisation of processes and capacity building. The details are available in the Human Capital section on page 42. The company also ensured the occupation health and safety of its employees in the wake of the COVID-19 pandemic. For more details, refer the COVID-19 chapter on page 5.

CAUTIONARY STATEMENT

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

MANAGING CAPITALS FOR SUSTAINABLE VALUE CREATION

Financial Capital

Capital is raised and strategically allocated in the form of equity and internal cash flows across business units to maximise stakeholders' value

Manufactured Capital

Investments are made in manufacturing capabilities to ensure streamlined, efficient and reliable operations while meeting quality and safety standards

Human Capital

The company's employees are central to its operations. Values-driven culture and best people practices nurture a productive, engaged, motivated, happy and empowered workforce

Intellectual Capital

Innovation, technological and industry-specific expertise, established brands and corporate standing underline the company's competitive advantage in value creation

Social and Relationship Capital

Collaborative engagements are fostered to balance the individual needs of many stakeholders and remain relevant in the communities where the company operates

Natural Capital

The company aims to reduce dependence on fossil fuels, utilise renewable energy and recycle water to deliver on its commitment to sustainability

FINANCIAL CAPITAL

Engineering Sound Financial Management Practices

Focus Sustainability Development Goals (SDGs)

8 DECENT WORK AND ECONOMIC GROWTH

Operating in a complex, uncertain and dynamic external environment, perceptive financial capital management is imperative. Thermax's sound financial capital management practices ensure business viability and sustainability from a long-term perspective.

The sources of financial capital include equity and cash flow generated by the company's operations. The financial capital inputs are used to support current business requirements and fund future growth projects.

In addition to generating revenue through business activities, the company also reinvests the financial capital in each of the other five capitals to reap benefits.

In the context of financial capital, the idea of stakeholder value is not limited to increasing revenues and share price. Share price is an outcome of the company's strategies and execution. A good growth in earnings, is the outcome of all the effort put into fulfilling the needs and addressing the challenges of customers; creating a conducive ecosystem for vendors; empowering employees, and motivating them to work with passion and conviction every day and preserving the impact on the environment.

During the year, the company leveraged its financial capital for strengthening operations in India and overseas.

Investments were made towards the expansion of the chemical plant in Dahej. This will increase the plant capacity from 12,000 MT to 22,000 MT in FY2020-21.

As per organisational restructuring, the transfer of Boiler and Heater (B&H) business to Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES), wholly owned subsidiary of Thermax Limited, was concluded on a going-concern basis through a slump sale. This helped leverage the synergies between the two businesses in terms of product offerings, customer base and manufacturing infrastructure, particularly the modern facility of TBWES at Shirwal.

Thermax Zhejiang Limited, the company's Chinese subsidiary closed its manufacturing facility at China during the year, disposing its land and building; however, continued to maintain its service office to support existing customers.

The company integrated the power O&M services with its other utility O&M business. The common synergies have improved profitability.

Digitalisation, R&D, and safety are three areas where investments continued to be made by the company. The cost structures are constantly under review to enhance efficiency and productivity.

The Board has paid an interim dividend of Rs. 7/- per fully paid share. The dividend payments demonstrate the company's commitment to returning the value created to those who invest in Thermax.

FINANCIALS AT A GLANCE

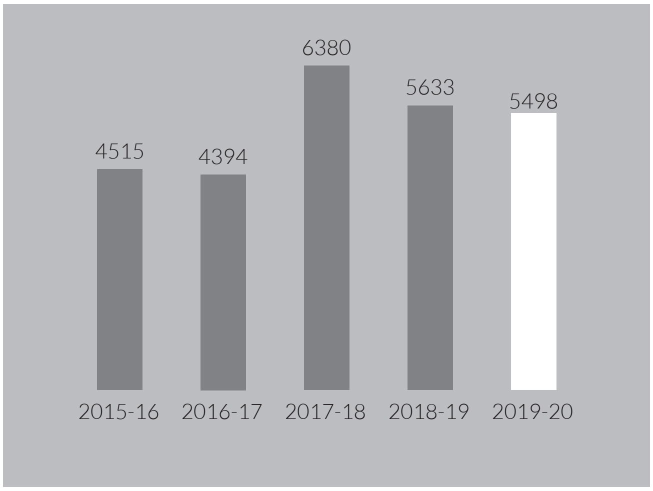
Thermax Group

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16#	2014-15	2013-14	2012-13	2011-12	2010-11
Domestic Sales(excluding excise duty)	3685	3249	2668	2813	3210	3618	3199	3898	4333	3873
International Sales/Business	1970	2637	1703	1573	1859	1624	1758	1468	1574	1250
% to Total Sales	35%	45%	39%	36%	37%	31%	35%	27%	27%	24%
Total Sales	5655	5886	4371	4386	5069	5242	4957	5366	5907	5123
Growth	-4%	35%	0%	-13%	-3%	6%	-8%	-9%	15%	56%
Other Operating Income	76	87	94	97	76	62	72	59	60	90
Revenue from Operations	5731	5973	4465	4483	5145	5304	5028	5425	5967	5213
Other Income	100	150	116	114	122	123	72	85	84	58
Total Income	5831	6123	4581	4597	5267	5427	5100	5510	6051	5271
Total Expenses	5324	5516	4064	4049	4716	4843	4592	4935	5377	4640
Profit before Depreciation, Interest , Extra Ordinary Items and Tax	507	607	517	548	551	584	508	575	674	631
(% to Total Income)	9%	10%	11%	12%	10%	11%	10%	10%	11%	12%
Depreciation	117	92	82	82	72	134	92	77	66	54
Interest	15	14	13	10	12	82	27	17	12	4
Exceptional Items of Expenses	-	90	0	18	0	49	0	0	0	0
Profit before Tax	375	411	422	438	467	319	389	481	596	573
(% to Total Income)	6%	7%	9%	10%	9%	6%	8%	9%	10%	11%
Tax	162	85	166	156	144	171	169	177	204	196
Profit after Tax before Non Controlling Interest and Share in Loss of Associate and Joint Venture	212	326	256	282	323	148	220	304	392	377
Share in Joint Venture/Associates Loss	0	(1)	(25)	(66)	(41)	NA	NA	NA	NA	NA
Minority Interest	NA	NA	NA	NA	NA	(62)	(26)	(16)	(12)	(5)
Profit after Tax	212	325	231	216	282	210	246	320	404	382
Other Comprehensive Income	(9)	(22)	27	(19)	22	NA	NA	NA	NA	NA
Total Comprehensive Income	204	304	258	197	304	NA	NA	NA	NA	NA
Attributable to:										
Equity Holders of the Parent	204	304	259	204	304	NA	NA	NA	NA	NA
Non Controlling Interest	-	-	(1)	(7)	-	NA	NA	NA	NA	NA
Gross Block@	2255	2236	1741	1515	1438	2051	2044	1296	1193	1068
Net Block	1339	1352	1076	952	887	1474	1580	1390	1091	821
Investments	875	829	1472	1083	1050	822	708	443	240	230
Current Assets	3977	4737	4102	3297	3610	4185	4125	3287	3406	3065
Current Liabilities	2787	3654	3079	2365	2615	3274	2999	2509	2758	2563
Net Current Assets	1190	1083	1023	932	995	911	1126	778	648	502
Capital Employed	3061	3050	2768	2585	2450	2719	2695	2362	1829	1452
Equity Share Capital	23	23	23	23	23	24	24	24	24	24
Reserves and Surplus	3005	2992	2692	2515	2393	2123	2014	1845	1605	1291
Networth	3028	3015	2715	2538	2416	2147	2038	1869	1629	1315
Minority Interest	-	-	-	1	-	78	140	110	112	52
Loan Funds (long term)	33	35	53	46	34	494	517	383	88	85
Fixed Asset Turnover Ratio	4.23	4.35	4.06	4.61	5.71	3.56	3.14	3.86	5.42	6.24
Working Capital Turnover Ratio	4.75	5.43	4.28	4.71	5.10	5.75	4.40	6.90	9.11	10.21
Current Ratio	1.43	1.30	1.33	1.39	1.38	1.28	1.38	1.31	1.24	1.20
Return on Capital Employed	13%	14%	15%	15%	18%	15%	15%	21%	33%	40%
Return on Net Worth	7%	11%	9%	9%	12%	10%	12%	17%	25%	29%
Cash Earnings per Share (Rs.)	29.30	37.06	27.93	27.08	31.48	28.86	28.38	33.33	39.42	36.57
Earnings per Share (Rs.)	18.87	28.90	20.61	19.80	25.07	17.61	20.64	26.87	33.86	32.03
Proposed Dividend	350%*	350%	300%	300%	300%	350%	300%	350%	350%	450%
Book Value per Share (Rs.)	269	268	241	225	215	180	171	157	137	110

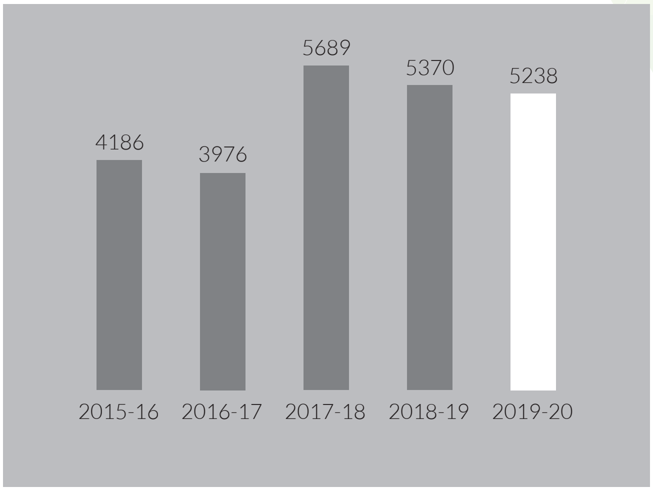
Figures have been reclassified as per Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs
* It is interim dividend paid to shareholders
@ Gross block excludes capital work in progress and intangible assets under development

KEY FINANCIAL INDICES
Thermax Group

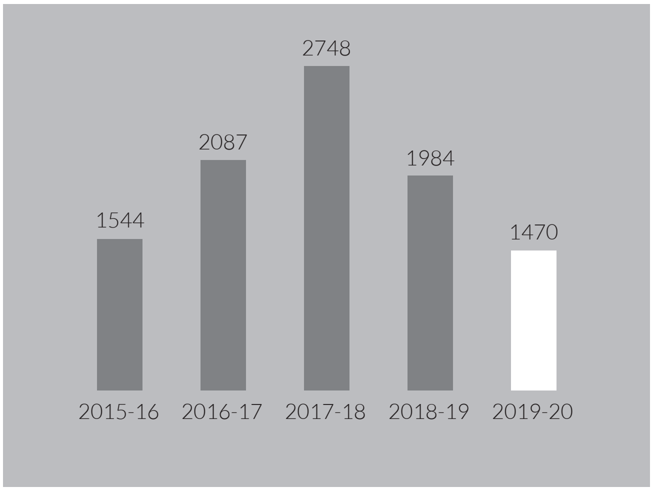
Order Booking#
Rs. crore



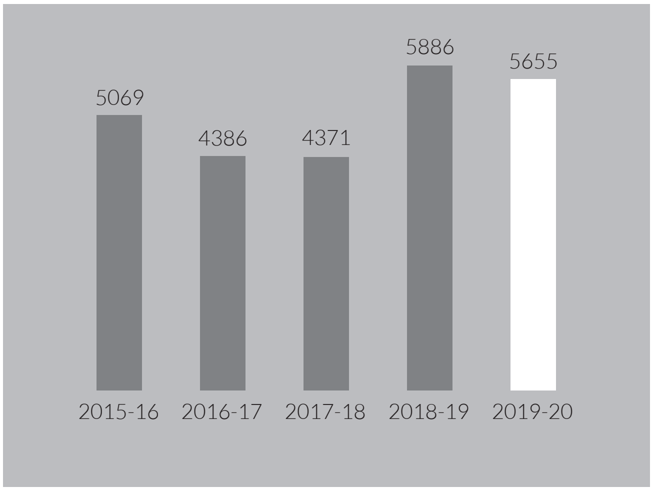
Order Balance#
Rs. crore



International Order Booking#
Rs. crore

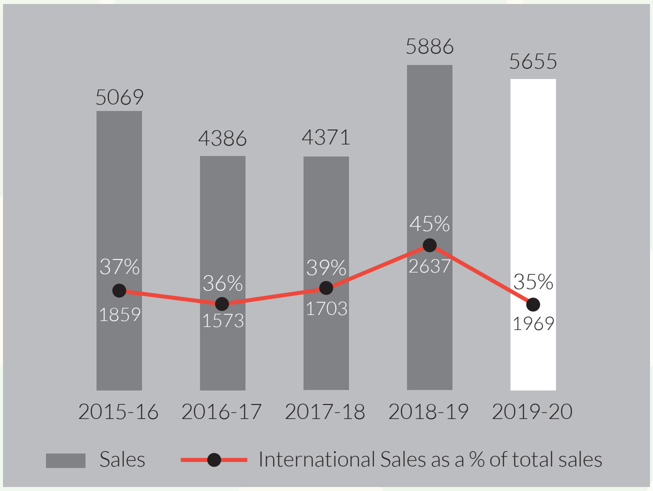


Sales (Excluding Excise Duty/GST)#
Rs. crore

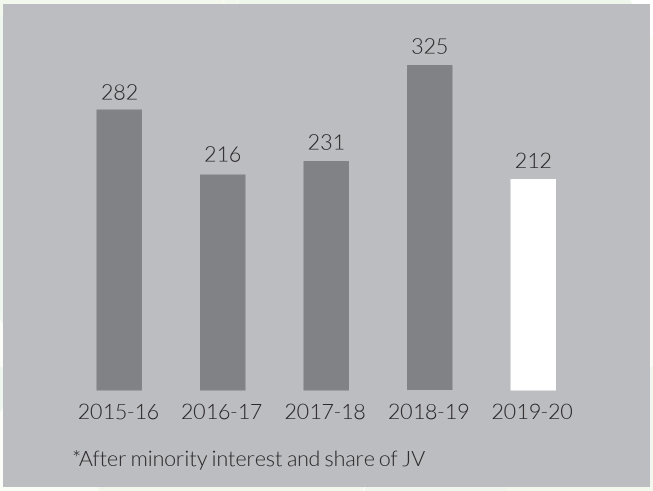


The number for 2015-16 are including joint ventures as per old accounting standards

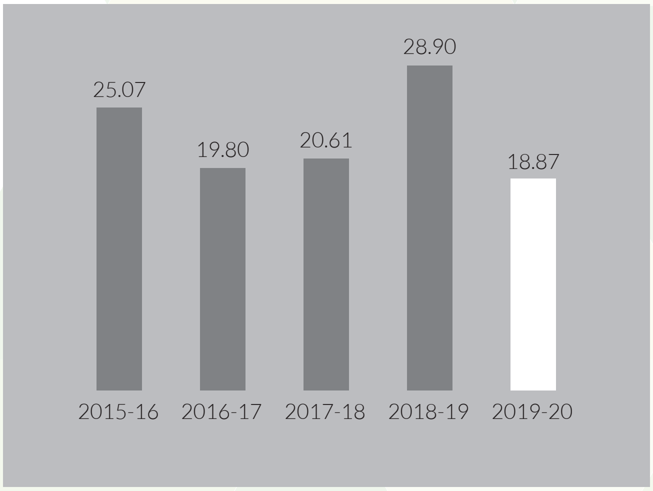
International Sales as a % of Total Sales[#]
Rs. crore



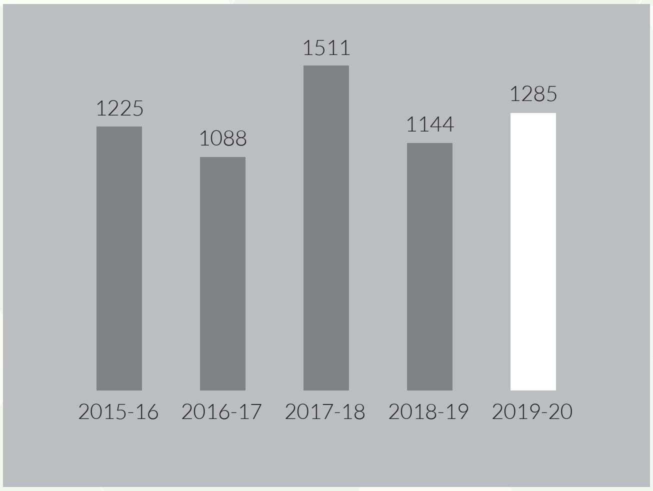
Profit After Tax (PAT)[#*]
Rs. crore



Earnings Per Share
Rs.



Cash and Cash Equivalent[#]
(Including current investments)
Rs. crore



[#] The number for 2015-16 are including joint ventures as per old accounting standards

MANUFACTURED CAPITAL

Engineering Breakthrough, Quality Solutions

Focus Sustainability Development Goals (SDGs)

Thermax is a leading manufacturer of capital goods that meet the utility requirements of diverse industries globally. The company's manufactured capital enables it to engineer sustainable solutions that fulfil customers' need and therefore, warrants strategic consideration and due investments. Supporting customers with utility needs for greenfield facilities; upgrading the capacity of existing facilities; deploying breakthrough technology such as modularisation and service based on the Industrial Internet of Things (IIoT) has put Thermax in a strong position to straddle the markets of the West and the East, with greater operational efficiency.

The company's manufactured capital broadly covers 14 state-of-the-art facilities in India, Poland, Denmark, Germany, and Indonesia. Most of the manufacturing facilities are compliant with ISO 14001:2015 and OSHAS 18001/ISO 45001 certifications. Thermax manufactures to international standards – ASME, BS, DIN, GOST, API, and CE, besides the IBR code in India and AQSIQ in China. The facilities are inspected by Lloyds, Bureau Veritas, SGS and TUV.

First wastewater treatment plant under the Build-Own-Operate model

Total Power Generation
771 MW

Power Generated Through Assets Operated and Maintained for Customers
4,244 GWh

Environment-Friendly Vapour Absorption Cooling
91,699 NTR

Air Treated Through Air Pollution Control System
64 Million m^3/hr

Key assets developed during the year included the capacity expansion of the specialty chemicals unit in Dahej, Gujarat, by 10,000 m^3 per annum; the capacity of manufacturing 400 vapour absorption machines per annum at the highly automated plant in Sri City, Andhra Pradesh along with the deployment of Manufacturing Execution System (MES) at the facility to drive production efficiency.

The company also initiated the implementation of Product Lifecycle Management (PLM) to streamline information flow, improve productivity, reduce cycle time, and enhance product quality and reliability.

Water Treated and Recycled
145 MLD

Heating Solutions : Quantity of Heating Done
5,115 MWth

Total Chemicals Manufactured
41,650 MT

Modularisation Enables Export of 21,000 Tonnes of Equipment

Apart from setting a record in manufacturing the largest packaged plug-and-play utility boilers in India to date, Thermax also achieved a benchmark in the concept of modularisation. During the year, the company completed the supply of its largest export so far comprising four utility boilers, eight heat recovery steam generators, two flue gas steam generators and a hot oil heater for the largest refinery and petrochemical project in Nigeria, West Africa.

The sub-assemblies were manufactured at Thermax facilities in Shirwal, Savli, and Chinchwad as per global quality norms. The final assembly was then completed at Mundra. Speaking of numbers, 1,300 people, including third parties, worked on the project, deployed 5.1 million man-hours, to build equipment weighing over 21,000 tonnes, without a single reportable accident. The largest module weighed 1,450 tonnes and the tallest one was higher than an eight-storey building.

The other critical aspect of the project, managed skilfully, was transporting these massive structures to the port and rolling them on to special ro-ro vessels. The modules were sea-fastened to ensure that they would sail smoothly between continents, enduring strong winds and rolling seas.

With increasing complexities involved in setting up greenfield process plants, these modularisation solutions can help customers de-risk their construction work and accelerate completion time, evident from the fact that the first package was installed in a record time of 21 hours, which would have taken six months to complete had it been built at site.

To view the video, scan the QR Code OR click on the below link: https://www.youtube.com/watch?v=tvJvBiLxOcc

Remote Service Support Brings Comfort to Guests at Sri Lanka

A reputed Sri Lankan resort is using Thermax's double effect steam-driven vapour absorption chiller of 300 TR capacity, helping it annually save 4,92,000 units of electricity and reduce carbon emissions by 318 tonnes which is equal to planting 31,885 trees or taking 63 cars off the road. The chiller utilises steam generated from a biomass boiler to provide comfort cooling to hotel rooms through Air Handling Units/Fan Coil Units. Thermax also supports the chiller with its IoT based service, ROSS (Remote Online Support Service), which monitors and controls the performance of absorption chillers across the globe.

Thermax's 300 TR ROSS enabled chiller at a Sri Lankan resort

An abnormality was observed in the chiller installed at the resort due to operational issues. Thermax's smart service, ROSS proactively captured the data, detected the root cause, and subsequently the service engineer performed the troubleshooting remotely. This avoided a breakdown in air-conditioning that would have caused discomfort to guests and resulted in losses to the customer due to downtime.

Installation of First Wastewater Treatment Plant under the Build-Own-Operate

Thermax supplied and installed a Wastewater Treatment Plant at a polyester film factory on a Build-Own-Operate model. The customer pays based on quantum of water recycled. Thermax's 110 KLD Zero Liquid Discharge (ZLD) system will enable the customer to maximise effluent recycling and save on this precious resource.

HUMAN CAPITAL

Engineering Workplaces that Nurture Empowerment, Learning and Wellness

Focus Sustainability Development Goals (SDGs)

Thermax believes in nurturing a human organisation, which understands the paradox that the entire organisation is more important than the individual, but this does not make the individual less important. Built on human values, Thermax encourages people to voice what they think and feel. People's positive experience in Thermax is born out of working autonomy and empowerment.

With an aim to build a thriving, sustainable organisation, Thermax has made talent development and retention one of its key strategic priorities. Several programmes were rolled out during the year to foster capability and continuous learning. Employee empowerment and responsibility builds human capital, contributing to the achievement of individual and collective goals and maximising stakeholders' value.

SAP SuccessFactors, an advanced digital platform for people management launched during FY2018-19 was expanded to encompass critical employee processes such as attendance management systems and performance appraisal. Wellness initiatives continued with activities around 'physical fitness' and introduction to 'nutrition' as a focus area where regular employee consultation has been initiated through a corporate tie-up with a professional nutritionist.

National Safety Week celebrations commence with oath taking ceremony at various Thermax and customer locations

To strengthen its campus connect, Thermax organised an online case challenge called 'STORM', garnering participation from more than 108 teams of sixth semester engineering students across select colleges in India. They were presented with real-time problems and assessed on parameters of the solution designed as well as its commercial viability. The top three teams from both Mechanical and Chemical categories were felicitated by Thermax with cash prizes.

During the year, the focus was on upskilling the safety officers and divisional coordinators to align with ISO 45001-2018, the international standard in occupational health and safety (OH&S) management. 20 safety officers and divisional coordinators were trained by TUV:SUD and Bureau Veritas to become certified auditors.

Lost Time Injury Frequency Rate (LTIFR)

0.18

Additionally, initiatives such as use of mobile app for reporting Health, Safety and Environment (HSE) observations proactively, celebration of important events such as National Safety and Road Safety Weeks and continuous awareness sessions among employees were conducted during the year.

Focussed efforts to imbibe safety in the company's culture, including safety oaths by employees at the beginning of any event and business meetings, has consistently improved reporting of leading indicators and the injury related KPIs for Thermax.

ASPIRE – Leadership Development and Capability Building

To strengthen capabilities in line with its growth plans and industry demands from a global perspective, the company launched ASPIRE, a Leadership Development Programme. It is designed to help senior management members build strategic, high performance and self-awareness skills, focussing on both organisational and personal impact as a leader. The programme was undertaken in collaboration with India's premier management institute, Indian School of Business and comprised modules for strategy, finance, marketing, manufacturing, and people development.

Group photo at the final review and closure session of the ASPIRE leadership programme

Learnmax – A Way of Continuum Learning at Thermax

The company launched a Learning Management System (LMS) in June 2019, which is a part of SuccessFactors - a product from the SAP suite. Learnmax - My Learning Hub is the internal brand for the company's Learning Management System. The objective is to promote capability development of all employees by using a standardised approach that enables 'anytime, anywhere learning'.

Learnmax enhances the company's ability to track and monitor learning data in a systematic way.

In the year under review, 4,700+ learners underwent compliance training. A series of e-modules was built for the company's product businesses, and around 900 learners have made use of this; in addition, 1,250 learners undertook functional training last year, of which 580 are unique learners.

Training Man-Hours

15,162

SOCIAL AND RELATIONSHIP CAPITAL

Engineering a Meaningful Connect

Focus Sustainability Development Goals (SDGs)

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS

Listening closely to customers, channel partners and other business partners makes Thermax attuned to their satisfaction level and further requirements. Regular engagements through various channels not only makes the company more productive and streamlined, but also builds invaluable relationship capital.

Thermax is committed to promoting education as one of the key enablers to holistic, sustained, and inclusive growth of our society. The education interventions are carried out under the aegis of Thermax Foundation (TF), the non-profit CSR wing of the company. TF focusses primarily on offering children from economically underprivileged backgrounds a level playing field through quality education so that they can rise above their circumstances. The company also engages in need-based and meaningful work near its factory locations through credible partners for a planned outcome and impact.

The company's quest for continuous improvement is manifested in the initiatives taken to enhance customer relationships. Periodic customer satisfaction surveys are conducted to identify areas for improvement. The company also engages with customers through Service Cloud (Salesforce.com), expos, customer meets, *In Touch*, seminars and digital connect (direct mailers, webinar, social media, etc).

Technical training is being provided to the Thermax Channel Associates (TCAs) to improve their capability and, in turn, render better service to the customer. The company also engages with its suppliers through its green channel programme to improve quality and productivity. Awareness sessions on sustainability are conducted for suppliers. Regular supplier meets are organised to seek feedback and provide resolution.

Business Partner Meet for Vendors

Thermax organised a business partner meet with the theme 'Let's Grow Together'. Key vendors were invited to join the company's journey of becoming smarter and digitised, spreading to new geographies and taking the next stride towards Thermax 3.0.

No. of Suppliers Trained on Sustainability

180

No. of Customer Engagements including Events, Seminars, Expos and Webinars

112

The Corporate Sourcing team also shared insights and improvement actions emerging from the vendor satisfaction survey and introduced the business partners to the broader Thermax portfolio, displaying multi-divisional business opportunities.

Thermax team at the 'Business Partner Meet 2019'

Uplifting the Quality of Life for Communities

Display of the art installation prepared by students of KCTVN that was selected among the top six at the Kala Ghoda festival in Mumbai

The School Project

Through a public-private partnership model, Thermax Foundation (TF) funds three Pune Municipal Corporation (PMC) schools run by its NGO partner, Akanksha Foundation – **K.C. Thackeray Vidya Niketan English Medium School (KCTVN), Late Anantrao Pawar English Medium School**, and **Savitri Bai Phule English Medium School** fully, along with the funding of Matoshri English Medium School, partially.

During the academic year 2019-20, Akanksha run schools undertook various pedagogical activities to improve the quality of education imparted. These include adopting the technology wave by introducing tablets and interactive projector based learning; initiatives such as 'Bridge the Gap' to collate and analyse all the available student assessment data to identify patterns in their learning gaps and design data driven instructions; collaborative classrooms for interaction of students beyond their own groups and mentor-mentee programmes to improve bonding with teachers. Besides, many students from these schools participated and won accolades in various inter-school and other external competitions. These schools also focussed on community development by engaging with the parents through innovative interventions such as '*Chai Katta*' to sensitise them on the importance of education and equip them to support their children. The learning outcome is measured on three parameters of academic excellence, youth development and community engagement in these schools, with goals and milestones decided at the beginning of the year.

No. of Families Directly Benefitted Through CSR Around our Manufacturing Facilities

1,638

No. of Student Beneficiaries of The School Project

3,397

Alumni Support

Municipal schools offer free education, however, most of the schools are only up to 8th grade. To ensure that alumni from Akanksha Foundation and Teach For India do not drop out from pursuing education further, the Alumni project funding was initiated by TF:

a) TF has entered into an agreement with the NGO, iTeach from FY2019-20 to support 200 alumni of Teach For India (TFI), presently pursuing their 10th grade from low-resource private schools. TFI is a nationwide Fellowship that recruits college graduates and working professionals to serve as

The KCTVN Code Breakers (the school robotics team) selected for the national First Lego League championship in Mumbai full-time teachers in low-income schools for two years. The students will be supported to get admission in the 11th grade and provided help to identify their core interests and aspirations through career guidance, fairs, financial readiness sessions and academic support. The TF funding support will continue until this cohort completes 12th grade. Exposure to various skills will also be given based on their aptitude, to increase employability when there is a parental pressure to stop learning due to economic challenges.

b) From the TF donation to alumni project of Akanksha schools in the academic year 2019-20, career sessions were conducted for all 375 9th grade students across six schools.

Aptitude tests and interest tests were completed for 342 students of 10th grade across five schools, followed by group and one-on-one counselling. 86% of SSC (10th grade) pass alumni, totalling to 200 students from Pune schools have been enrolled in junior college. 56% of the students selected the streams that had been recommended during counselling sessions and 15% of alumni are being enrolled in the top junior colleges of the city. For the 12th grade students, academic coaching was made available, alongside counselling to help them choose their graduation stream. A total of 28 alumni are in the process of applying for admissions in the reputed Ashoka University, KREA, and Azim Premji University. Continuous mentoring and financial aid at various stages have helped in sustaining the academic interest and capabilities of the alumni, resulting in 81% of them pursuing further education by enrolling for graduation or equivalent courses.

CSR at Factory Locations

Thermax Foundation extended CSR work at villages around two factories located at Savli and Solapur during FY2019-20.

The 'Churni' project was initiated in response to the skewed gender ratio and low women empowerment as indicated by the survey facilitated by TF. TF partnered with the NGO, Srotosvihini to impart tailoring skills for women below the poverty line, which is estimated to have the potential of generating a monthly income up to Rs. 5,000 per woman. The first batch of 35 women have been trained and are far more empowered now to become financially self-reliant. Another crucial need identified near Savli through the survey was the lack of hospitals in the vicinity and access to medical help. To address this, TF tied up with Deepak Foundation to train the students who had dropped out from schools after tenth grade as health aides in August 2019. The first batch completed their training. However, the classroom instruction of the second batch has been delayed due to COVID-19. Since the average salary received by the students from the first batch was lower than expected, and due to the difficulty faced in sourcing and retaining students, TF has decided to discontinue funding this project from the next year. The third project identified was ensuring that underprivileged people living within

The first batch of women trained under the Churni project

River widening project undertaken at the Ranmasale village near Solapur (Maharashtra)

an 8 km radius of Thermax's Savli factory received support in availing the government schemes that they were entitled to.

Considering the drought scenario at Solapur for three successive years, a need analysis was conducted with the help of the NGO, Manavlok and relief work was initiated for one of the most affected villages, Ranmasale. To initially support the villagers in the first phase, water tankers were provided by TF during the peak summer months of May and June.

In the second phase of the project, to ensure sustainable access to water, widening and deepening of the village's stream was done (3 km) in partnership with Manavlok. As reported by happy villagers, the water from intermittent rains is now getting stored.

Thermax Employee Involvement

There has been a focussed attempt to involve employees in various CSR activities. Several initiatives undertaken across Thermax locations during the year included bird house making, clearing the debris in an under-construction orphanage, gifts to terminally ill patients and tree plantation drives, among others.

Thermax Change Leader

To involve the employees in meaningful projects where they can contribute significantly rather than just volunteer for a one-time activity, TF partnered with Head Held High Foundation (HHH). Through this project, six employees who are a part of LDP-III were selected based on their learnability and attitude. They have completed the five-day behavioural process lab to identify their personal vision for society and work towards it with the support of NGOs. They are allowed to work one day in a month exclusively for the project during the year long project tenure.

Presently, all the change leaders have been mapped to respective NGO change makers. Together, they have identified the goals in a manner that the impact of the NGO is increased from 50% to 100%. Unfortunately, with COVID-19 outbreak, very little has been achieved to date, but hopefully will gain momentum within the next few months.

INTELLECTUAL CAPITAL

Engineering Innovative Offerings for a Better, Smarter Tomorrow

Focus Sustainability Development Goals (SDGs)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Thermax's ability to innovate as well as invest in technology creates great intellectual capital. With a zeal to contribute to a better tomorrow, the company is always researching ways to make its products and services greener, more efficient, more world-class.

Thermax has established a Research, Technology & Innovation Centre (RTIC) to support the business. The in-house centre of excellence undertakes research in all areas of business relevance. Additionally, businesses have their own innovation teams who undertake projects on an ongoing basis for incremental as well as radical improvements in technologies in line with customer needs. The company's patents and registered trademarks form an important part of its intellectual property.

The company's focus on application-oriented R&D in developing new technology, upgrading its portfolio as relevant to clients' businesses and investment in learning and development opportunities for all employees builds its intellectual capital. It also collaborates with leading scientific and academic institutions for new product development as well as technology transfer. Through celebrations such as 'Technology Day', 'Operational Excellence' and 'N.D. Joshi' awards, the company recognises and rewards employees and businesses on the basis of technological, process and business model innovations.

During the year under review, the focus was on digitising offerings as well as operations in line with the company's impetus on building a 'Smart' Thermax. Investments were made in consultation with reputed IT partners to expand customer reach, enhance customer value, drive process efficiency and improve analytics for faster decision making.

Number of Customer Processes/Internal Processes Digitalised

12

Number of Equipment with Remote Monitoring Functionality

294

For the eleventh successive year, Thermax celebrated the National Technology Day on May 11, 2019

CSIR Partners with Thermax on India's First Fuel Cell System

Representatives from CSIR laboratories along with officials from Thermax - unveiling India's first fuel cell system

On the occasion of the CSIR (Council of Scientific and Industrial Research, under the aegis of the Ministry of Science and Technology, Government of India) foundation day at Vigyan Bhawan, Delhi, the President of India unveiled the country's first fuel cell system prototype, which will meet the requirement of efficient, clean, and reliable backup power generation for telecom towers, remote locations, and strategic applications.

The pioneering system, an example of sustainable engineering, has been developed under Public-Private Partnership (PPP) among CSIR's three laboratories and two Indian companies, one being Thermax. This 5.0 kW fuel cell system, generating power in a green manner using methanol/bio-methane, has the potential to replace diesel generator (DG) sets and helps to curb air pollution.

IoT Introduced in Boilers for Better Efficiency

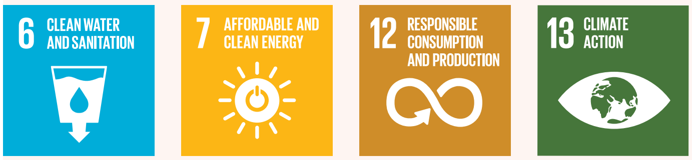
To view the video, scan the QR Code OR click on the below link: https://www.youtube.com/watch?v=ciMxyE-VI9w&t=19s

Thermax launched Ultramind, an industrial analytics and IoT enabled solution that can be integrated with boilers and heaters, having PLC systems of any make. Ultramind helps identify gaps in operating parameters, analyse factors and make necessary recommendations to improve combustion and heat transfer processes.These features help customers in improving efficiency, safety standards, seamless maintenance, and critical spare parts planning.

NATURAL CAPITAL

Engineering a Greener Future Through Responsible Operations

Focus Sustainability Development Goals (SDGs)



Rooftop solar PV installation at Thermax's chemical plant in Jhagadia (Gujarat)

Offering sustainable solutions to the world, Thermax is cognisant of its own responsibility to utilise resources efficiently, manage operational impact, and minimise its footprint on the environment. The company protects natural capital through its Sustainability Policy, which acts as the guiding force for all its physical properties and manufacturing activities. Processes needed for better resource management are being implemented and improved. Environmental care and concern is promoted by engaging with all stakeholders on green measures and healing of damaged ecosystems.

As Thermax's operations depend extensively on energy and other natural resources, the company is conscious of adopting renewable resources into its operations while being frugal and efficient on the use of non-renewable materials. Focus on sustainable technologies helps the company to reduce operating costs and increase operational efficiencies. This approach helps in building trust with all our stakeholders.

Sustainability is imbibed in every process, right from design, manufacturing, to disposal of the product, and infrastructure development activities. Substantial efforts have been made in sourcing energy-efficient equipment to enhance resource conservation – whether energy or water.

Renewable and Non-Renewable Energy Consumption

The company is committed to use all resources efficiently and conservatively. This is achieved through energy efficiency in operations, energy audits and promoting energy conservation initiatives at all office and manufacturing locations. It is also committed to increase the use of renewable energy.

Renewable Energy Consumption
19,332 GJ

Non-Renewable Energy Consumption
3,06,356 GJ

Energy Savings
13,483 GJ

Carbon Emissions

Climate change related environmental risks dominate the list of the most urgent risks reported by the World Economic Forum in 2020. The company has undertaken mitigation measures for carbon emission emanating from direct and indirect sources. These include energy efficiency enhancement, Light Emission Diode (LED) installations, air conditioning with environment friendly chillers, use of alternative energy and process optimisation.

Water Consumption and Recycling

The company withdraws water from various sources – municipal / industrial supply, surface (river) water, rainwater, and purchased bottled water – for its manufacturing and office operations. The consumption of water from these sources are reported as 9,10,956 m^3.

The company follows a 'reduce, reuse and recycle' concept at all its manufacturing plants. All the facilities except chemical manufacturing plants are 'zero discharge' plants, i.e. 100% treated effluent is used for gardening, cleaning, etc., within their premises with zero discharge. This has resulted in saving fresh water requirement.

Implementation of rainwater harvesting to conserve natural resources as well as reduce dependence on fresh water supply has resulted in storage and consumption of rainwater through harvesting facilities at Sri City, Paudh, Jhagadia, and Dahej plants.

Celebration of Important Environment Related Days

On the occasion of World Environment Day, June 5, 2019, Thermax employees planted saplings at various Thermax locations, including a few customer sites. The Environment business leveraged the platform to launch a new initiative called 'Learning Insights', a periodic e-mail communication to customers and employees to educate them on the catastrophes of pollution and ways to control it.

Energy conservation being the core of Thermax's business, National Energy Conservation Day, December 14, was celebrated with a lot of enthusiasm from employees. They were encouraged to imbibe principles of sustainability in their daily lives. Various case studies were displayed, highlighting energy conservation initiatives for customers and within the company.

Celebration of World Environment Day 2020 with sapling plantation while taking safety precautions amid COVID-19 pandemic

Emission reduction
2,231 tCO_2e

Water Recycled
2,70,335 m^3

Rainwater Harvested
35,950 m^3

Harnessing the Power of Renewable Energy

The company is working towards increasing dependence on renewable energy across various locations. It has set up rooftop solar panels for power generation with installation capacity of 1.16 MW at Savli, Jhagadia, Sri City plant, and Pune offices. The company has planned to expand these investments to the Solapur and Shirwal plants.

The various solar rooftop power projects have reported renewable energy generation of 8.55 lac kWh in the reporting year and this has resulted in emissions avoidance of 701 tCO_2e.

MANAGING RISKS

Thermax has a robust risk management framework that takes into account risks that might arise in the fields relevant to the company; reviews the extent of those risks in evolving global, national, and regional situations; and continually upgrades policy and processes to mitigate those risks.

Risks	Definition	Mitigation Actions
Data Governance, Cyber-Security and Digitisation Risk	• Inability to identify, classify, document/digitise and archive business critical knowledge/ information in order to ensure complete, consistent, reliable and secure corporate data • Adverse impact on the company's operations due to cyber-attacks and lack of firewalls, encryption, remote access controls, leading to compromise of confidential data and intellectual property • Inability to continue/recover business operations during any crisis and/or disaster with minimal disruption or loss of business • Inadequate wherewithal to implement advanced technologies to support strategic business objectives • Lack of framework to monitor risk emanating from increasing digitisation and new technologies	• Creating security awareness through training on a regular basis. The archiving and purging of unused information is carried out as per the timeframe decided in Data Retention Policy • Role-specific access to IT equipment is created and controlled. Identity and access management through single sign-on and multi-factor authentication is underway • Servers and databases of all hosted applications are being upgraded with high availability. Disaster recovery for critical applications is tested
Project Execution Risk	• Loss of reputation/market share/ margin erosion due to inadequate process framework and monitoring of risks during the entire project lifecycle (Risk element: contracting risks, estimation, delivery excellence and quality, customer relations, project cash flows, liquidated damages/ retentions, contract compliance)	• The company has a robust project management in place across the divisions to monitor and control project execution risks during the project lifecycle. The various controls set up from proposal stage to execution stage enable the company to take timely measures to mitigate potential risks

Risks	Definition	Mitigation Actions
Talent Management and Succession Planning	• Inability to attract and retain desired level of talent and inability to maintain attrition acceptable levels across organisation • Inadequate succession planning/ talent grooming at leadership as well key business roles to ensure that the organisation has necessary pipeline of leaders to carry forward its growth	• The company has an organisation level setup to identify talent at various levels and functions, nurture and develop the same through various methods such as job rotation, training and incentives
Regulatory Compliance Risks	• Inability to identify and monitor compliance obligations across business and geographies leading to penal and reputational consequences • Changes in business-critical regulations such as environmental/ fiscal policy/ labour/ taxation laws impacting ability to sustain business	• **Identification and awareness about applicable laws and regulations:** Regular trainings are conducted on the topics or pain areas for the organisation and risk coefficient is attached with non-compliance. Ongoing trainings on compliance management solutions are in place. Periodic checking is done as to whether all amendments are incorporated in the organisation's compliance database • **Accountability for compliance:** Process owners are connected on a regular basis to understand the obstacles and find the way forward to ensure compliance as per requirement • **Monitoring of adherence to compliance:** Auto-generated e-mails are sent to the process owner through the compliance system with a copy to the Company Secretary

ENGAGING WITH STAKEHOLDERS

The company has well established processes for identifying and engaging with stakeholder groups. Internal and external stakeholders for the company are classified into six broad categories:

Key Stakeholder	Methods of Engagement
Customers	• Customer satisfaction survey • Customer meets • Customer site audits • Company website • Fireside - house magazine of Thermax Group • Mailers • Exhibitions • Promotional campaigns • Brochures • Road shows • Social media (Thermax has 2,00,000+ community on LinkedIn) • *In Touch* programmes and seminars for customers
Employees	• Open forum • Employee experience survey • Functional trainings • Online trainings • Employee committees • Thermax organisation and people development • Leadership development • Communication blogs • Environment day, safety week, technology day and other celebrations
Vendors and Channel Partners	• Vendor meets • Dealer conferences • Vendor selection process • Site visits and personal communication • Vendor visits • Vendor training on sustainable practices • Vendor survey

Key Stakeholder	Methods of Engagement
Owner and Shareholders	• Annual general meeting • Quarterly results • Annual report • Investors meet • Press releases
Government Authorities	• Engaging with government forums • Policy advocacy • Interactions with statutory bodies like SEBI, tax department, stock exchanges, pollution control boards, labour authorities, government forums where the MD is a member/participant
Community and Academia	• Site visits • Education of economically underprivileged children • Helping future generations by reducing the impact on environment • Meetings with local communities/NGOs • Sustainability information on www.thermaxglobal.com • Discussions with academic institutions • Encouraging employees to apply to Teach For India for a two-year fellowship • Media • Campus connect programmes

ADDRESSING MATERIAL ISSUES

Materiality assessment helps Thermax identify key sustainability issues across its value chain that may impact the business in terms of growth, cost and risks. It also enables the company to prioritise the needs of its stakeholders. The material topics feed into the company's strategy formulation process and capitals, while taking into consideration the business environment in which it operates.

Phase 1

SCOPING

This phase involved setting the boundaries of the analysis, understanding Thermax's sustainability agenda and vision and understanding Thermax's peers

- **Stakeholder Identification**
  Key stakeholders were identified through discussion with the internal teams, market intelligence, global sectoral trends and peer comparison
- **Materiality Bucket Listing**
  A bucket list of material issues was generated using organisational understanding, market and sectoral insights, current global trends and peer analysis.

Phase 2

STRATEGISING

- **Stakeholder Prioritisation**
  Identified stakeholders were prioritised through focussed discussion with Thermax's internal teams. Prioritisation was conducted based on criticality and relevance of each stakeholder group
- Devising a strategy for mode of engagement with each stakeholder

Phase 3

DATA COLLECTION

- **Stakeholder Interaction**
  Thermax has adopted a blended stakeholder engagement model for the purpose of its materiality assessment. The blended model encompassed various modes of communication including workshops, survey-based method, one-to-one interview (in person and telephonic).
- Recording insights received from stakeholder interactions
- Collation of inputs received

Phase 4

DATA ANALYSIS AND WAY FORWARD

The data collected was collated and analysed to derive inference and recommendations. The key outcomes of this phase are:

- Identification of material topics
- Recommendations for way forward

Key Material Topics and their Classification

ECONOMIC

- Upgradation and Improvement of Designs

ENVIRONMENT

- Waste Management (Recycling, Disposal and Waste Minimisation)
- Water Management (Conservation and Consumption)
- Climate Change Related Risks
- Energy Management and Emission Management
- Resource Use Optimisation

SOCIAL

- Occupational Health Safety and Emergency Preparedness
- Training and Development
- Protection of Human Rights
- Talent Acquisition and Retention
- Community Engagement and Satisfaction
- Local Employment
- Sustainable and Responsible Supply Chain Management
- Product Performance

GOVERNANCE

- Compliance and Integrity

BOARD OF DIRECTORS

Meher Pudumjee
Chairperson

Pheroz Pudumjee
Non-Executive Director

M.S. Unnikrishnan
Managing Director & CEO

Ashish Bhandari
Joint Managing Director

Harsh Mariwala
Independent Director

Dr. Jairam Varadaraj
Independent Director

Nawshir Mirza
Independent Director

Rajani Kesari
Independent Director

S. B. (Ravi) Pandit
Independent Director

Dr. Valentin A.H. von Massow
Independent Director

EXECUTIVE COUNCIL

M.S. Unnikrishnan
Managing Director & CEO

Ashish Bhandari
Joint Managing Director

B.C. Mahesh
Executive Vice President & Group Head - Power

Bill Shukla
Executive Vice President & Group Head - Environment Business

Hemant Mohgaonkar
Executive Vice President & Group Head - Cooling & Heating

Pravin Karve
CEO, TBWES

Prosenjit Sengupta
Executive Vice President and Group Chief Digital Officer

Dr. R.R. Sonde
Executive Vice President & Group Head - Research, Technology and Innovation

Rajendran Arunachalam
Executive Vice President and Group Chief Financial Officer

Sharad Gangal
Executive Vice President & Group Head - HR, IR, Administration

Shekhar Kashalikar
Senior Vice President - TBWES

CORPORATE INFORMATION

BOARD OF DIRECTORS

Meher Pudumjee
Chairperson

Pheroz Pudumjee
Non-Executive Director

M.S. Unnikrishnan
Managing Director & CEO

Ashish Bhandari
Joint Managing Director
(w.e.f. April 7, 2020)

Harsh Mariwala

Dr. Jairam Varadaraj

Nawshir Mirza

Rajani Kesari

S.B. (Ravi) Pandit

Dr. Valentin A.H. von Massow

EXECUTIVE COUNCIL

M.S. Unnikrishnan

Ashish Bhandari

B.C. Mahesh

Bill Shukla

Hemant Mohgaonkar

Pravin Karve

Prosenjit Sengupta

Dr. R.R. Sonde

Rajendran Arunachalam

Sharad Gangal

Shekhar Kashalikar

KEY MANAGERIAL PERSONNEL

M.S. Unnikrishnan
Managing Director & CEO

Ashish Bhandari
Joint Managing Director

Rajendran Arunachalam
EVP and Group CFO

Kedar P. Phadke
Company Secretary &
Compliance Officer

REGISTERED OFFICE

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

Ph.: 020-66122100/66155000
Fax: 020-66122142

Corporate Identity No.
L2299PN1980PLC022787

CORPORATE OFFICE

Thermax House

14, Mumbai-Pune Road, Wakdewadi,
Pune - 411 003.

Ph.: 020-66051200/25542122
Fax: 020-25541226

Website: www.thermaxglobal.com

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Pvt. Ltd.
Karvy Selenium Tower B,
Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032.

Tel: 040-67161500/33211000
Fax: 040-23001153/23420814
Toll free: 1800 345 4001

E-mail: einward.ris@karvy.com
Website: www.kfintech.com

BANKERS

Union Bank of India
Bank of Baroda
Canara Bank
Citibank NA
Corporation Bank
ICICI Bank Ltd.
State Bank of India
HSBC
Kotak Mahindra Bank Ltd.

AUDITORS

SRBC & CO. LLP Chartered Accountants
C-401, Panchshil Tech Park, Yerawada,
Pune - 411 006.
ICAI Firm Reg. No. 324982E/E300003

SUBSIDIARIES

Domestic

1. First Energy Pvt. Ltd.
2. Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.
3. Thermax Engineering Construction Company Ltd.
4. Thermax Instrumentation Ltd.
5. Thermax Onsite Energy Solutions Ltd.
6. Thermax Cooling Solutions Ltd.
7. Thermax Sustainable Energy Solutions Ltd.

Overseas

1. Boilerworks A/S, Denmark
2. Boilerworks Properties ApS, Denmark
3. Danstoker A/S, Denmark
4. Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia
5. Ejendomsanpartsselskabet Industrivej Nord 13, Denmark
6. PT Thermax International, Indonesia
7. Rifox-Hans Richter GmbH Spezialarmaturen, Germany
8. Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd., China
9. Thermax Denmark ApS
10. Thermax do Brasil-Energia e Equipamentos Ltda, Brazil
11. Thermax Energy & Environment Lanka (Private) Limited, Sri Lanka
12. Thermax Energy & Environment Philippines Corporation
13. Thermax Engineering Construction FZE, Nigeria
14. Thermax Engineering Singapore Pte Ltd.
15. Thermax Europe Limited, UK
16. Thermax Inc., USA
17. Thermax International Ltd., Mauritius
18. Thermax International Tanzania Ltd.
19. Thermax Netherlands B.V.
20. Thermax Nigeria Limited
21. Thermax SDN. BHD., Malaysia
22. Thermax Senegal S.A.R.L
23. Thermax (Thailand) Ltd.

Directors' Report

Dear shareholder,

Your directors are pleased to present the Thirty-Ninth Annual Report, together with the audited financial statements of your company for the year ended March 31, 2020.

Financial Results

(Rupees in crore)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Total Income	3,319.48	3,663.90	5,831.31	6,123.05
Profit before finance cost, depreciation and tax	317.88	373.52	506.18	607.32
Finance cost & depreciation	67.84	55.39	131.65	106.34
Profit before tax & exceptional items	250.04	318.13	374.53	500.98
Exceptional items	(14.89)	(47.85)	-	(89.54)
Profit before tax but after exceptional items	235.15	270.28	374.53	411.44
Provision for taxation (incl. deferred tax)	73.76	109.26	162.08	84.94
Share of profit/(loss) on joint venture	NA	NA	-	(1.07)
Profit after tax from continuing operations	161.39	161.02	212.45	325.43
Profit after tax from discontinuing operations	52.60	114.22	NA	NA
Other comprehensive income	(13.16)	(20.82)	(8.78)	(21.72)
Total comprehensive income	200.83	254.42	203.67	303.71
Total equity	2,737.49	2,735.85	3,027.90	3,014.29
Earnings Per Share (EPS) (Rs.) face value per share Rs. 2/- from continuing operations	13.54	13.51	18.87	28.90
Earnings Per Share (EPS) (Rs.) face value per share Rs. 2/- from continuing and discontinuing operations	17.95	23.10	18.87	28.90

Annual Performance

Your company posted total income of Rs. 3,319 crore for the financial year 2019-20, against last year's income of Rs. 3,664 crore. On a consolidated level, the group income was at Rs. 5,831crore (Rs. 6,123 crore).

The energy segment contributed 80.4% (79.4%) to the group's operating revenues in FY 2019-20.

On a standalone basis, revenue from exports was down by 28.5% at Rs. 759 crore (Rs. 1,061 crore) and the group international business was lower by 25.3% at Rs. 1,969 crore (Rs. 2,636 crore).

Consolidated order booking for FY 2019-20 reduced by 2.4% at Rs. 5,498 crore (Rs. 5,633 crore) with standalone order booking from continuing operations at Rs. 4,058 crore, an increase of 22.1% over the previous year of Rs. 3,325 crore. Group order booking in international markets at Rs. 1,470 crore was lower by 25.9% and accounted for 26.7% of the consolidated figure as compared to Rs. 1,984 crore last year (35.2%).

On a standalone basis, the exceptional item of expenditure of Rs. 15 crore (Rs. 48 crore) represents an impairment of investment in the subsidiary companies, Thermax (Zhejiang) Cooling & Heating Engineering Co. Limited (TZL) and First Energy Pvt. Ltd. (FEPL). Profit after tax and exceptional items from continuing operations stood at Rs. 161 crore, same as the previous year. EPS were at Rs. 13.54 (Rs. 13.51).

During the year, both global and domestic economies witnessed a slowdown in growth, impacting investor sentiments. Amidst the prevailing challenges globally, Thermax continued to focus on its strategy of selective internationalisation to combat volatility in the domestic capital expenditure cycle. New manufacturing facilities both, in Dahej, Gujarat and in Indonesia were stabilised. It also stabilised its operations at Sri City, Andhra Pradesh which was inaugurated in January 2019. Though the operations of Danstoker in Europe encountered difficulties during the year, the activities in its new Poland facility, after initial challenges, have recently picked up and positioned the business to capitalise on opportunities in Eastern Europe. The localisation process in Thermax's new facility in Indonesia witnessed an encouraging response from the market.

COVID-19

In the last month of the fiscal, there was an exponential surge in the Covid-19 cases in many countries dominated by the US, forcing the Government to impose national lockdown in India. The safety of employees was paramount in all the decisions taken by your company to continue or restart operations. The company is also using innovative methods to support its customers during this crisis. The spread of this virus has compelled your company to revisit its ways of working, including working from home.

Based on the available information and the business projections by management, which appear reasonably conservative, the Board is satisfied that no material adjustments are required to the financial statements for 2019-20.

Dividend

During the year, the directors have approved payment of interim dividend of Rs. 7/- (350%) per equity share of face value Rs. 2/- each for distribution of the profits of the company for the quarter and nine months ended December 31, 2019, which had resulted in a payout of Rs. 101 crore including dividend distribution tax of Rs. 17 crore.

In view of the above, the Board did not recommend Final dividend for FY 2019-20.

Transfer to Reserve

The closing balance of the retained earnings of the company for FY 2019-20, after all appropriation and adjustments was Rs. 2171.10 crore. During the year, the company has not transferred any amount to General Reserve.

Share Capital

The paid-up equity share capital of the company was Rs. 23.83 crore as on March 31, 2020. There was no public, rights, preferential or bonus issued during the year. The company has neither issued any shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

Subsidiaries

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

Subsequent to the transfer of Boiler & Heater ("B&H") business of the company by way of a slump sale as 'going concern' to Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES), a Wholly Owned Subsidiary (WOS) of the company, TBWES has become a 'material subsidiary'.

Post acquisition of the entire stake in Thermax SPX Energy Technologies Limited, its name has been changed to Thermax Cooling Solutions Limited.

The report on the growth trends and outlook of those subsidiaries which impact your company's performance reasonably are captured in the Management Discussion and Analysis section of this report.

Comprehensive details on each subsidiary including their financial performance and contribution to the overall performance of the Comapny during the year are available in AOC-1 on page no. 298.

Information on Newly Incorporated Subsidiaries and Acquisition During the Year

The company has set up a step-down subsidiary company in Tanzania (through WOS of the company, Thermax Engineering Singapore PTE Ltd.) named 'Thermax International Tanzania Limited', which was incorporated on December 7, 2019, as a pre- requisite for supervision of project business.

During the year, the company has also set up a WOS in Thailand named 'Thermax (Thailand) Limited', which was incorporated on March 9, 2020.

Management Discussion and Analysis

The Management Discussion and Analysis section, highlighting the performance of the company's energy, environment and chemical segments, including details of select subsidiaries, information on company's health, safety and environment measures, human resources, risk management and internal controls is on page no. 18.

Corporate Governance Report

A detailed Corporate Governance Report regarding SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which also includes disclosures required as per Sections 134 and 177 of the Companies Act, 2013, is attached as Annexure 1 on page no. 68.

A certificate from the statutory auditors of the company regarding compliance with the conditions of corporate governance as required under Schedule V of the Listing Regulations is a part of this report.

Integrated Report

The company has voluntarily decided to publish an Integrated Report from this year, which encompasses both financial and non-financial information to enable its diverse stakeholders to take well informed decisions and have a better understanding of the company's long term perspective. Integrated Report is attached on page no. 1.

Secretarial Standards

The company has complied with the revised Secretarial Standards on meetings of the Board of directors (SS-1) and Secretarial Standards on general meetings (SS-2).

Business Responsibility Report

In terms of the Listing Regulations, Business Responsibility Report describing the initiatives taken by the company from environmental, social and governance perspectives is enclosed as Annexure 2 on page no. 87.

Vigil Mechanism/Whistle Blower Policy

The company has a vigil mechanism named 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The details of the policy are provided in the Corporate Governance Report and also posted on the website of the company, www.thermaxglobal.com

Employee Strength

The total number of permanent employees on the rolls of the company as on March 31, 2020, was 3,325 compared to 4,110 employees in the previous year. The significant reduction in number of employees is due to transfer of employees to subsidiaries of the company.

Industrial Relations

The overall Industrial Relations at all the locations were amicable. The company has signed three years wage settlement with the union at Chinchwad on November 12, 2019 for the period May 1, 2019 to April 30, 2022. The wage settlement with the union at Paudh ended on June 30, 2019 and negotiations for the subsequent settlement are in progress. The wage settlement at Savli plant is in force as per terms of agreement.

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, duly amended, in respect of employees of the company, will be provided upon request. In terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members and others entitled to receive it. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the corporate office of the company. The information is also available for inspection at the corporate office during working hours up to the date of the Annual General Meeting.

Details of Trusts for the Benefit of Employees

a) ESOP and Welfare Trust

The company has a Thermax Employees ESOP and Welfare Trust which holds 29,06,250 equity shares of Rs. 2/- each of the company.

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

The company, at present, does not have any ESOP scheme under this Trust.

b) Employee Welfare Trusts

The company has various Employee Welfare Trusts primarily for providing medical and educational aid to its employees and their families. These trusts presently hold 36,35,190 equity shares of Rs. 2/- each of the company. None of the trusts had any dealings in the secondary market.

The relevant disclosures as required under the SEBI (Share- based Employee Benefits) Regulations, 2014 on Employee Welfare Trusts are available on the company's website: www.thermaxglobal.com

Disclosure: Anti-Sexual Harassment Policy

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

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

The following is a summary of sexual harassment complaints received and disposed of during the year 2019-20:

- Number of complaints received – Nil
- Number of complaints disposed of - NA

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on the conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided as Annexure 3 on page no. 92.

Corporate Social Responsibility Initiatives

As a part of its initiatives under 'Corporate Social Responsibility' (CSR), the company has undertaken projects mainly in the area of education. The projects are in accordance with Schedule VII of the Companies Act, 2013. Since 2007, the CSR initiatives have been undertaken through the Thermax Foundation. The detailed report on CSR is provided in the Social and Relationship Capital on page no. 44.

The details of the CSR committee and CSR policy are available on the company's website: www.thermaxglobal.com

The Annual Report on CSR activities and CSR policy is provided as Annexure 4 on page no. 94.

Directors and Key Managerial Personnel

All independent directors of the company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (the Act) and the Listing Regulations.

The company has formulated a policy on 'familiarisation programme for independent directors' which is available on the company's website: www.thermaxglobal.com

In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, Mr. Pheroz Pudumjee retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment as a director.

The company has announced the appointment of Mr. Ashish Bhandari as the Joint Managing Director of the Company, effective April 7, 2020. Mr. M.S. Unnikrishnan, Managing Director & CEO will retire on August 31, 2020 following which Mr. Bhandari will move into the role of Managing Director & CEO.

During the year, Mr. Amitabha Mukhopadhyay, Group CFO of the company has resigned w.e.f. May 31, 2019 and Mr. Rajendran Arunachalam took charge as the Group CFO of the company w.e.f June 1, 2019.

Meetings

A calendar of meetings is prepared and circulated in advance to the directors.

During the year, five Board meetings were convened and held, the details of which are given in the Corporate Governance Report.

Remuneration Policy

The Remuneration Policy details for selection, appointment and remuneration of directors and senior management is given in the Corporate Governance Report and the said policy is available on the company's website, www.thermaxglobal.com

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual evaluation of its performance. The details of the evaluations are given in the Corporate Governance Report.

Board Diversity

The company recognises and embraces the importance of a diverse Board in its success. It believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender that will help in retaining its competitive advantage. The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on the Company's website, www.thermaxglobal.com

Directors' Responsibility Statement

In terms of Section 134 (3)(c) of the Companies Act, 2013, your directors, to the best of their knowledge and belief and according to the information and explanations obtained by them in the normal course of their work, state that, in all material respects;

a) In the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed;

b) Appropriate accounting policies have been selected, applied consistently and judgement and estimates have been made that are reasonable and prudent to give a true and fair view of the state of affairs of the company as on March 31, 2020, and of the profit of the company for the year ended on that date;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The annual financial statements have been prepared on a going concern basis;

e) Proper internal financial controls were in place and the financial controls were adequate and operating effectively; and

f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

Related Party Transactions

All related party transactions entered into during the financial year were at an arm's length basis and were in the ordinary course of business. During the year, Mr. Zahaan Pudumjee, a relative of the promoters, was appointed as Head - Operations in Thermax Onsite Energy Solutions Limited (TOESL), a WOS of the company. Since his appointment was to a place of profit, necessary approval of the Board of Directors of the company was obtained. There were no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large.

All related party transactions are placed before the Audit Committee. Prior / omnibus approval of the Audit Committee/Board is obtained annually for transactions which are foreseeable and repetitive. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all related party transactions are placed before the Audit Committee for its approval on a quarterly basis. The company has developed a Related Party Transactions Manual and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is available on the company's website: www.thermaxglobal.com

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

Standalone and Consolidated Financial Statements

The financial statements for the year ended March 31, 2020, have been prepared as per Schedule III to the Companies Act, 2013. The consolidated financial statements of the group are prepared in compliance with the Accounting Standards and Listing Regulations as prescribed by SEBI. The cash flow for the year is attached to the balance sheet. A separate statement containing the salient features of subsidiaries and joint ventures in the prescribed Form (AOC-1) is also attached, refer page no. 298.

Significant and Material Orders Passed by the Regulators or Courts

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

Public Deposits

The company had no unpaid/unclaimed deposit(s) as on March 31, 2020. The company has not accepted any fixed deposits during the year.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the financial statements.

Material Changes and Commitments

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

Internal Financial Control Systems and their Adequacy

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

Risk Management

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

Committees of the Board

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

Auditors

Statutory Auditors

M/s. SRBC & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors for a period of five years commencing from the 34th AGM until the conclusion of the 39th AGM.

The Board of Directors at its meeting held on June 18, 2020 has recommended re-appointment of M/s. SRBC & Co LLP, Chartered Accountants as the Statutory Auditors of the company for further term of five years for the approval of the shareholders of the company.

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

Cost Auditors

In terms of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune have been appointed as the Cost Auditors of the company for FY 2020-21.

Secretarial Audit

In accordance with the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. SVD & Associates, Company Secretaries, Pune, to undertake the Secretarial Audit of the company for FY 2020-21. The Secretarial Audit Report for the company and its material subsidiary for FY 2019-20 is annexed as Annexure - 5(a) & 5(b) on respectively on page nos. 98.

The observations of the secretarial auditors in their report are self-explanatory and therefore, the directors do not have any further comments to offer on the same.

Annual Return

The details forming a part of the annual return in Form No. MGT-9 is annexed herewith as Annexure 6 on page no. 106. Copy of the annual return is also available on the company's website: www.thermaxglobal.com

Awards and Recognition

Your company is proud to have received various awards during the year. Details of the awards received during the year are given on page no. 4.

Acknowledgements

Your directors place on record their appreciation for the continued support extended during the year by the company's customers, business associates, suppliers, bankers, investors, government authorities and other stakeholders. They also place on record their appreciation for the dedication and value-added contributions made by all the employees.

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

For and on behalf of the Board,

Meher Pudumjee
Chairperson (DIN: 00019581)
Pune, June 18, 2020

Corporate Governance Report

1. Thermax's Philosophy on Corporate Governance

Thermax believes in following, in letter and spirit, high standards of corporate governance so that the company's performance will have a positive impact on its stakeholders – customers, shareholders, employees, vendor partners and business associates, larger community and governments of countries where it operates. It upholds the core tenets of corporate governance for sustained growth and financial performance.

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

Empowered by the Board, your company's key management officials implement policies and guidelines related to corporate governance. Our corporate governance framework is guided by our core values and is based on the following principles:

Corporate Governance at Thermax

- 01 **Transparency**
- 02 **Disclosure**
- 03 **Supervision and Internal Controls**
- 04 **Risk Management**
- 05 **Internal and External Communication**
- 06 **High Standards of Safety**
- 07 **Accounting Fidelity**
- 08 **Product and Service Quality**

2. Board of Directors

During the year, the Board of your company comprises nine directors – two non-executive promoter directors, six independent directors and the managing director & CEO.

A. Composition of the Board

The company believes that its Board needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence, and separate its functions of governance and management. The Board of your company comprises nine directors – consisting of one non-executive and non-independent chairperson, one non-executive director, one executive director, and six independent directors (out of whom one is a woman independent Director). This is in conformity with the requirement of Regulation 17 of the Listing Regulations. The Board periodically evaluates the need for change in its size and composition.

The table below gives the composition of the Board and inter alia the outside directorships held by each of the directors of the company during the financial year 2019-20.

Name of the Director	Pecuniary or Business Relationship with the Company	Number of other Director-ships@	Committee Position#		Number of Shares held in the Company
			Chairperson	Member	
NON-EXECUTIVE PROMOTER					
Meher Pudumjee	None Except*	1	0	1	-
Pheroz Pudumjee	None Except*	0	1	1	6,000
INDEPENDENT					
Dr. Valentin A. H. von Massow	None	0	0	0	-
Dr. Jairam Varadaraj	None	10	1	6	-
Nawshir Mirza	None	2	3	0	-
Harsh Mariwala	None	6	0	1	-
S. B (Ravi) Pandit	None	2	0	1	-
Rajani Kesari	None	2	0	1	-
EXECUTIVE					
M. S. Unnikrishnan	N.A.	3	0	1	-

@ Includes only listed companies and unlisted public companies
# Includes only Audit Committee and Stakeholders' Relationship Committee

* During the year (2019-20), the company has paid Rs. 13,61,220/- to Meher Pudumjee as rent for premises taken on lease. The company has paid Rs. 13,61,220/- to Pheroz Pudumjee, being rent for premises taken on lease and maintained Rs. 18,00,000/- as security deposit.

The company has also paid Rs. 23,50,000/- as rent and given security deposit of Rs. 35,00,000/- to Anu Aga (promoter and relative of Meher Pudumjee and Pheroz Pudumjee, Directors of the company) for premises taken on lease.

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Attendance and Remuneration of Each Director During the Financial Year 2019-20

Name of the Director	Attendance at AGM (August 8, 2019)	Total Attendance at Board Meetings	Sitting Fees*	Salary and Perquisite	Commission†	Total Remuneration
						Amount in Rs.
Meher Pudumjee	P	5	6,00,000	NA	45,00,000	51,00,000
Dr. Valentin A. H. von Massow	P	5	5,50,000	NA	36,59,324 @	42,09,324
Pheroz Pudumjee	P	5	7,50,000	NA	20,00,000	27,50,000
Dr. Jairam Varadaraj	P	5	7,00,000	NA	20,00,000	27,00,000
Nawshir Mirza	P	4	5,50,000	NA	35,00,000	40,50,000
Harsh Mariwala	A	5	3,50,000	NA	25,00,000	28,50,000
S. B. (Ravi) Pandit	P	5	5,50,000	NA	15,00,000	20,50,000
Rajani Kesari	P	4	3,50,000	NA	15,00,000	18,50,000
M. S. Unnikrishnan	P	5	NA	3,99,61,562	1,60,00,000	5,59,61,562

NA = Not applicable
* Sitting fees also include payments for Board appointed committee meetings
† The commission proposed for the year ended March 31, 2020 will be paid, subject to deduction of tax, and as per the provisions of the Companies Act, 2013
@ Euro 44,014 (rate as on March 31, 2020 is Rs. 83.14 per EURO)
The non-executive directors are entitled to reimbursement of expenses incurred in the performance of duties as directors

B. Number of Meetings of the Board Held During the Year and the Dates of Meetings

The Board met five times during the financial year 2019-20 on the following dates: May 22, 2019, August 8, 2019, November 13, 2019, February 4, 2020, and March 13, 2020. The maximum time gap between any two sequential meetings was not more than 120 days.

C. Confirmation and Certification from Practising Company Secretary

On an annual basis, the company obtains from each director, details of the Board and Board Committee positions he/she occupies in other companies, and changes, if any, regarding their directorships. The company has obtained a certificate from M/s. SVD & Associates, Practising Company Secretary, Pune, confirming that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

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D. Details of Directorships Held in Other Listed Entities

Sr. No.	Name of the Director	Name of Listed Entity	Category
1	Meher Pudumjee	--	--
2	Pheroz Pudumjee	--	--
3	M.S. Unnikrishnan	KEC International Limited	Independent Director
4	Nawshir Mirza	Exide Industries Limited	Independent Director
5	Jairam Varadaraj	Elgi Equipments Ltd.	Managing Director
		Precot Meridian Ltd.	Director
		Magna Electro Castings Ltd.	Director
		Elgi Rubber Company Ltd.	Director
6	Valentin von Massow	-	-
7	Harsh Mariwala	Marico Limited	Chairman & Non-Executive Director
		Kaya Limited	Chairman & Managing Director
		Zensar Technologies Limited	Independent Director
		JSW Steel Limited	Independent Director
8	S.B. (Ravi) Pandit	KPIT Technologies Limited	Whole - Time Director
9	Rajani Kesari	--	

E. Disclosure of the Relationship Between Directors Inter se

Meher Pudumjee and Pheroz Pudumjee are related to each other.

F. Familiarisation Programme Imparted to Independent Directors

Through this familiarisation programme, the company intends to achieve the following objectives:

- To apprise the directors about the business model, corporate strategy, nature of the industry, business plans and operations of the company
- To familiarise them with the company's financial performance, annual budgets, internal control processes and statutory compliances
- To apprise them about their roles and responsibilities in the company
- To familiarise them with the company's vision, values, ethics, and corporate governance practices

The independent directors are provided with necessary documents, business model, annual budgets, significant developments, reports and internal policies to enable them to familiarise with the company's procedures and practices.

Periodic presentations are made at the Board and committee meetings on business and performance updates of the company, global business environment, business strategy and risks involved. Detailed presentations on the company's business segments are made at the Board retreat. Quarterly updates on relevant statutory, regulatory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the directors. Site visits to various plant locations are organised for the independent directors to enable them to understand and acquaint with the operations of the company. The details of such familiarisation programme for independent directors are put upon the company's website and can be accessed at www.thermaxglobal.com

G. Board Independence

Our definition of 'independence' of directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations. The independent directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the directors and on evaluation of the relationships disclosed, supported by a certificate from M/s. SVD & Associates, Practising Company Secretary, Pune, as per the requirement of Regulation 25(8) of the Listing Regulations, the Board confirms, that the independent directors fulfil the conditions as specified under Schedule V of the Listing Regulations, 2015 and are independent of the management.

H. Independent Directors' Meeting

During the year under review, the independent directors met once on March 13, 2020 where all independent directors were present *inter alia* to review the performance of the Board, chairperson and non-independent directors of the company. They also reviewed the quality, quantity, timelines and flow of information between the management and the Board.

I. Board Evaluation

As a part of the annual Board evaluation, detailed questionnaires were circulated to all the directors. The chairperson of the Board and the chairman of the Nomination and Remuneration Committee (NRC) evaluated the Board's performance and that of its committees. The chairperson of each committee shared the outcome of the evaluation process. The Board conducted evaluation of independent directors which included performance of directors and fulfilment of criteria as specified in SEBI (LODR) (Amendment) Regulations, 2018, and their independence from the management, where the independent directors did not participate.

J. Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, in the capacity of Secretary of the Committees. The Company Secretary advises / assures the Board and its Committees on compliance and governance principles and ensures appropriate recording of minutes of the meetings. With a view to leverage technology and reducing paper consumption, the company has adopted a web-based application for transmitting Board / Committee agenda and pre-reads. The directors of the company receive the agenda and pre-reads in electronic form through this application, which can be accessed through browsers or other electronic devices. The application meets high standards of security and integrity that are required for storage and transmission of Board / Committee agenda and pre-reads in electronic form.

K. Core Skills/ Expertise/ Competencies Available with the Board

In terms of requirement of Listing Regulations, 2015, the Board has identified the following core skills / expertise / competencies of the directors in the context of the company's business for effective functioning as given below:

Director	Industry Knowledge	Leadership	Expertise & Experience in Finance	Strategy & Planning	Board Governance	Mergers & Acquisitions	Exposure in Policy Shaping and Industry Advocacy	Sales & Marketing
Meher Pudumjee	✓	✓		✓	✓			
Pheroz Pudumjee	✓	✓		✓	✓			✓
M.S. Unnikrishnan	✓	✓	✓	✓	✓	✓	✓	✓
Harsh Mariwala		✓	✓	✓	✓	✓		✓
Dr Valentin von Massow	✓			✓				
Nawshir Mirza	✓⊙	✓	✓	✓⊙	✓	✓	✓⊙	✓⊙
S. B. (Ravi) Pandit		✓	✓	✓	✓	✓		
Dr Jairam Varadaraja		✓		✓	✓	✓		✓
Rajani Kesari	✓	✓	✓	✓	✓	✓		

⊙ Partly yes

3. Board and Committees Composition

The members of the committees are co-opted by the Board. The Board constitutes the committees and defines their terms of reference. The Board at present has six committees. The composition of the Board Committees is as under:

Name of Director	Meher Pudumjee	Pheroz Pudumjee	M. S. Unnikrishnan	Dr. Valentin A.H. Von Massow	Dr. Jairam Varadaraj	Nawshir Mirza	Harsh Mariwala	S B (Ravi) Pandit	Rajani Kesari
Board	✓	✓	✓	✓	✓	✓	✓	✓	✓
Audit Committee		✓			✓	✓			✓
Stakeholders' Relationship Committee	✓	✓	✓					✓	
Corporate Social Responsibility Committee	✓					✓		✓	
Risk Management Committee		✓			✓	✓			✓
Nomination and Remuneration Committee	✓			✓	✓		✓		
Strategic Business Development Committee	✓	✓	✓	✓	✓				
International Investment Committee		✓	✓	✓					

A. Audit Committee

The committee presently comprises four members, all non-executive directors. The Chairman of the committee, Nawshir Mirza, is a fellow member of The Institute of Chartered Accountants of India. Pheroz Pudumjee, Dr. Jairam Varadaraj and Rajani Kesari are the other members of the committee. On Auguts 8, 2019 the nomenclature of the committee was changed from Audit & Risk Management Committee to Audit Committee.

The committee met four times during the financial year 2019-20 on May 21, 2019, August 7, 2019, November 12, 2019 and February 3, 2020. Details of meetings attended by the members are as follows:

Committee Members	Category	Number of Meetings Attended
Pheroz Pudumjee	Non-Executive Promoter	4
Nawshir Mirza	Independent	4
Dr. Jairam Varadaraj	Independent	4
Rajani Kesari	Independent	3

The constitution of the committee meets the requirements of Section 177 of the Companies Act, 2013.

The committee reviews various aspects of internal controls, internal auditors' reports on a regular basis. The committee also reviews information as per Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The internal auditor presents to the committee, observations and recommendations arising out of internal audits and also on issues having an impact on the control system and compliance. The Chief Financial Officer, Chief Internal Auditor and the representatives of Statutory Auditors are permanent invitees and attend all the meetings of the committee. The Company Secretary acts as the secretary to the committee.

The Board has approved the revised charter of the Audit Committee defining its role, responsibilities, powers and processes as amended pursuant to the SEBI (LODR) (Amendment) Regulations, 2018. The revised charter is available on the company's website i.e. www.thermaxglobal.com

The terms of the charter broadly include:

- Overseeing the processes that ensure the integrity of financial statements
- Overseeing the processes for compliance with laws and regulations to ensure their effectiveness
- Approving transactions with related parties
- Enquiring into reasons for any default by the company in honouring its obligations to its creditors and members
- Overseeing the quality of internal accounting and other controls
- Overseeing the quality of financial reporting process, including the selection of accounting policies
- Ensuring the independence of the auditor
- Recommending to the Board the appointment and remuneration of the auditors
- Scrutinising inter-corporate loans and investments
- Monitoring the end use of funds raised through public offers, if any
- Conducting the valuation of any undertaking or asset of the company
- Structure the internal audit function and to approve the appointment of the Chief Internal Auditor
- Bringing to the notice of the Board any lacunae in the code of conduct
- Reviewing with the CEO and the CFO of the company the underlying process followed by them in their annual certification to the Board
- Approving the appointment of the CFO
- Recommending to the Board the appointment and remuneration of the secretarial and cost auditors
- Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments
- Review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015
- Verify internal control system to prevent insider trading are adequate and are operating effectively

B. Nomination & Remuneration Committee (NRC)

The committee presently comprises four members, all non-executive directors. Harsh Mariwala (Chairman), Dr Jairam Varadaraj, Dr. Valentin A. H. von Massow and Meher Pudumjee are the members of the committee.

The committee met twice during the financial year 2019-20 on May 21, 2019, and February 3, 2020 where all members were present.

The broad terms of reference of the committee are:

- Evaluate the performance, including extension of contracts of Executive Directors (EDs). The NRC would set the performance measures of EDs and evaluate their performance annually
- Recommend the remuneration for the EDs based on evaluation
- Evaluate the performance of senior management (one level below the EDs), including their employment extensions
- Recommend the remuneration of the senior management based on the evaluation
- Evaluate the need for EDs and recommend their appointment
- Identify all critical positions in the company among the EDs and senior management and review progress of succession plans
- Recommend to the Board, the policy relating to the remuneration of directors and key management personnel
- Lay down criteria for selecting new Non-Executive Directors (NEDs) based on the requirements of the organisation
- Carry out evaluation of the performance of NEDs and define the system for linking it to their remuneration
- Review the succession plan for those NED positions that are likely to be vacant during the year
- Recommend to the Board, the appointment and removal of directors
- Review and approve, the annual compensation of the organisation, including a benchmarking with other companies
- Ensure periodic meeting of the senior management with the directors
- Initiate and review employee engagement surveys
- Review and approve the code of conduct for the company
- Review and approve the disclosures of the committee in the Annual Report
- Formulate policies related to human resources, including diversity

Details of Remuneration:

Non-Executive Directors

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

The Nomination & Remuneration Committee (NRC) of the Board has framed a policy on selection and appointment of directors and their remuneration. Based on the recommendation of the NRC, the Board has approved the policy, which forms the basis for the remuneration of directors for the year 2019-20. The policy broadly consists of:

- Criteria for selection and appointment of directors and their remuneration
- Method of performance evaluation

As per the policy, the non-executive directors, apart from receiving sitting fees for attending Board/Committee meetings, will be entitled to receive a commission on the net profits of the company.

The NRC may recommend payment of commission on a uniform basis or may recommend higher commission to directors who are the chairman of the Board or other committees, taking into consideration the higher responsibilities taken by them.

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

Based on the above and the recommendation of NRC, the Board has approved payment of remuneration to the directors.

Managing Director & CEO

The company's Board at present comprises one Executive Director, namely, M.S. Unnikrishnan, who was reappointed as Managing Director & CEO effective July 1, 2017, for a period of three years. The remuneration of the managing director is governed by the agreement dated August 1, 2017, between the company and M.S. Unnikrishnan, which has been approved by the Board of Directors and the shareholders. The remuneration broadly comprises fixed and variable components, i.e. salary, allowances, perquisites and other benefits. The variable component comprises a performance bonus. The NRC has recommended a remuneration policy for appointment of directors and their remuneration which has been approved by the Board. As per the policy, while determining remuneration payable to the Managing Director & CEO, the following factors are considered:

a. The clarity of relationship between remuneration and performance

b. Balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the company and its goals

c. Responsibilities required to be shouldered by the Managing Director & CEO as per industry benchmarks and current trends

d. Performance of the company vis-à-vis the annual budget and individual performance vis-à-vis the KRAs / KPIs

C. Stakeholders' Relationship Committee

The Committee comprises four members, Pheroz Pudumjee (Chairman), Meher Pudumjee, M. S. Unnikrishnan and S. B. (Ravi) Pandit.

The committee met four times during the financial year 2019-20 on May 22, 2019, August 8, 2019, November 13, 2019 and February 4, 2020 where all members were present.

The broad terms of reference of the committee are:

- To approve and register transfer and/ or transmission of shares
- To approve dematerialisation and rematerialisation of the company's shares
- To affix or authorise affixing of the common seal of the company on the share certificates
- To look into the shareholders/investors/debenture holders/security holders grievances and redress them
- To review measures taken for effective exercise of voting rights by shareholders
- To review adherence to the service standards adopted by the listed entity with respect to various services being rendered by the Registrar & Share Transfer Agent
- To review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The committee reviews the performance of KFin Technologies Private Limited (erstwhile Karvy Fintech Private Limited), the company's Registrar and Transfer Agent (RTA) and also recommends measures for overall improvement for better investor services. The committee specifically looks into complaints of shareholders and investors pertaining to transfer/ transmission of shares, non-receipt of share certificates, non-receipt of dividend, etc.

Procedure of Share Transfer

The Board has empowered the Stakeholder Relationship Committee to, *inter alia*, approve share transfers to reduce the lead-time for processing transfer of shares lodged. The committee has delegated powers to the RTA to approve share transfer, transmission, and transposition.

Summary of Complaints During FY2019-20

Nature	Opening Balance	Received	Resolved	Closing Balance
Non-Receipt of Dividend	Nil	19	19	Nil
Non-receipt of share certificate after transfer/ consolidation/ transmission exchange/ split/ merger	Nil	6	6	Nil
Letters from Statutory Authorities	Nil	1	1	Nil
Total	Nil	26	26	Nil

All complaints were resolved to the satisfaction of the shareholders, and no complaint remained unattended/pending for more than 30 days as on March 31, 2020. During the year, 1 physical share transfer comprising 500 equity shares was processed.

Shares Transferred to IEPF

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

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

In accordance with the IEPF rules and its amendments, the company has sent notices to all the shareholders whose shares were due to be transferred to IEPF authority and also simultaneously advertised in newspapers.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) rules, 2016/Investor Education and Protection Fund (Awareness and Protection of Investors) rules, 2001, total 48,974 shares of 44 shareholders of the company were transferred on September 27, 2019 to the IEPF.

Compliance Officer

Kedar P. Phadke, Company Secretary is the Compliance Officer for complying with the requirements of the Securities Laws and the Listing Agreements with the Stock Exchanges.

D. Corporate Social Responsibility (CSR) Committee

The committee comprises three members, Meher Pudumjee (Chairperson), Nawshir Mirza and S. B. (Ravi) Pandit.

The committee met twice during the financial year 2019-20 on May 22, 2019 and November 11, 2019 where all the members were present.

The broad terms of reference of this committee are:

- To formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the company as specified under Schedule VII of the Companies Act, 2013
- To recommend the amount of expenditure to be incurred on the CSR activities and
- To monitor the CSR policy of the company from time to time
- Any other matter that may be referred to by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or rules made thereunder or any other statutory laws of India

E. Risk Management Committee

The Risk Management Committee of the Company comprises Nawshir Mirza (Chairman), Dr. Jairam Varadaraj, Pheroz Pudumjee and Rajani Kesari as Members of the Committee. The purpose of the risk management committee is to assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks. The risk management committee has the overall responsibility of monitoring and approving the risk policies and associated practices of the Company.

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

- To assess the risks facing the business and the mitigation measures taken thereof
- To identify developments in the environment or in internal operating processes that could materially affect the profile of risks

- To assist the Board in identifying existential risks and reviewing the mitigation and elimination plans for those
- To assess and examine status of cyber security of the company
- To report annually to the Board on its working
- Recommend to the Board policy for hedging commodity risk

During the financial year ended March 31, 2020, the Risk Management Committee met once on November 12, 2019 for reviewing the company level risks and mitigation plans and actions. All the members were present at the meeting except Rajani Kesari.

F. Strategic Business Development Committee

The primary objective of the Strategic Business Development Committee of the Board is to review and guide the strategic initiatives of the company.

The committee comprises five members, Dr. Valentin A. H. von Massow (Chairman), Meher Pudumjee, Pheroz Pudumjee, M. S. Unnikrishnan and Dr. Jairam Varadaraj.

The committee met twice during the financial year 2019-20 on August 7, 2019 and November 12, 2019 where all members were present.

The broad terms of reference of the committee are:

- Review and recommend corporate strategy, including corporate brand and M&A
- Review and direct Strategic Business Unit, subsidiary and JV level strategies as well as selective SBU plans and business initiatives
- Initiate and impart guidance on best practices across the Board e.g. manufacturing, new markets, branding, etc.
- Review the key strategic performance indicators and milestones established by the company

G. International Investment Committee

The International Investment Committee comprises three members, Pheroz Pudumjee (Chairman), Dr. Valentin A. H. von Massow and M.S. Unnikrishnan.

The committee met twice during the financial year 2019-20 on August 7, 2019, and February 3, 2020, where all members were present.

The broad terms of reference of the committee are:

- Monitor and review the performance with respect to the purpose and intent of business objectives
- Review human resources development and requirements
- Review of business operations and strategy implementation of new ventures / businesses
- Approval of appointment of Board members
- Formulate strategies with respect to overseas initiatives (including setting up of a company/office and acquisition/takeover/amalgamation)
- Review annual performance of international operations
- Review the strategic business plan annually

4. Annual General Meeting

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

Financial Year	Date	Venue	Time
2016-2017 (36th AGM)	August 8, 2017	Yashwantrao Chavan Academy of Development Administration, MDC (Auditorium) Building, Raj Bhavan Complex, Baner Road, Pune - 411007	4.00 p.m.
2017-2018 (37th AGM)	August 8, 2018		4.00 p.m.
2018-2019 (38th AGM)	August 8, 2019		4.00 p.m.

B. Postal Ballot

No special resolution was passed by the company during the year through postal ballot. No special resolution is proposed to be conducted through postal ballot as on the date of this report.

C. Special Resolution(s) Passed

The details of special resolution/s passed during last 3 Annual General Meetings are as under:

Date of Annual General Meeting	Details of Special Resolution
August 8, 2019	a. Re-appointment of Dr. Jairam Varadaraj as an independent director b. Re-appointment of Nawshir Mirza as an independent director c. Re-appointment of Dr. Valentin A.H. von Massow as an independent director

5. Means of Communication

a) The company publishes the quarterly and yearly financial results in prominent English and regional language newspapers. The same are also displayed on its website.

b) The company's corporate website www.thermaxglobal.com provides comprehensive information regarding the company's business portfolio, including CSR activities. The quarterly and yearly financial results are available in downloadable format for investors' convenience on the company's website. The Annual Report of the company is also available on the website in a user-friendly and downloadable form.

c) Transcripts of teleconferences with analysts are available on the website of the company

d) The official news releases of the company are displayed on its website

6. Shareholder Information

A. 39th Annual General Meeting for the FY2019-20

Date and time	Wednesday, August 12, 2020 at 4.00 pm
Venue	Through Video Conferencing / Other Audio Visual means.

B. Financial Calendar

The financial results for FY2019-20 were announced on

Financial Results	As Indicated	Actual Date
Quarter ended June 2019	August 8, 2019	August 8, 2019
Quarter ended September 2019	November 13, 2019	November 13, 2019
Quarter ended December 2019	February 12, 2020	February 4, 2020
Year ended March 2020	May 22, 2020	June 18, 2020

For the FY2020-21, the indicative announcement dates are:

Results for the quarter ended June 2020	August 12, 2020
Results for the quarter ended September 2020	November 4, 2020
Results for the quarter ended December 2020	February 3, 2021
Results for the year ended March 2021	May 12, 2021

Listing on stock exchanges	Stock Code
National Stock Exchange of India Ltd. (NSE)	THERMAX EQ
BSE Ltd. (BSE)	500411
International Security Identification No. for Equity shares (ISIN) in NSDL and CDSL	INE 152A01029
Corporate Identity No. (CIN)	L29299PN1980PLC022787

The company has paid listing fees to BSE and NSE and custodial fees to Central Depositories Services (India) Limited and National Securities Depository Limited for financial year 2020-21 on the basis number of beneficial accounts maintained by them, as on March 31, 2020.

C. Stock Data

(Amount in Rupees per share)

Month	MKT QUOTE-NSE		MKT QUOTE-BSE	
	High	Low	High	Low
April 2019	991.00	927.40	990.00	928.70
May 2019	1,075.00	942.20	1,071.00	931.45
June 2019	1,149.00	1,000.00	1,150.00	995.45
July 2019	1,144.95	1,003.45	1,144.00	997.00
August 2019	1,129.00	991.10	1,139.90	990.85
September 2019	1,181.25	985.00	1,180.00	985.00
October 2019	1,171.00	1,080.00	1,170.05	1,085.80
November 2019	1,171.10	979.55	1,169.30	980.00
December 2019	1,096.00	975.20	1,094.00	975.25
January 2020	1,119.90	1,028.05	1,119.00	1,027.10
February 2020	1,084.45	909.95	1,082.80	909.00
March 2020	952.70	570.00	977.00	644.00

D. Registrar and Share Transfer Agent

KFin Technologies Private Limited

(erstwhile Karvy Fintech Private Limited)

Karvy Selenium Tower B, Plot No. 31 & 32

Gachibowli, Financial District,

Nanakramguda, Serilingampally

Hyderabad - 500 032

Telephone: +91 040 67161510 / 512

Fax: 040 - 23420814

E-mail ID for redressal of grievances of shareholders/ investors: einward.ris@kfintech.com

Website: www.kfintech.com

E. Share Transfer System

The company's shares are traded on the stock exchanges only in electronic mode. Shares received for transfer by the company or its Registrar and Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and despatched within a period of 15 days from the date of receipt.

F. Distribution of Shareholding and Shareholding Pattern

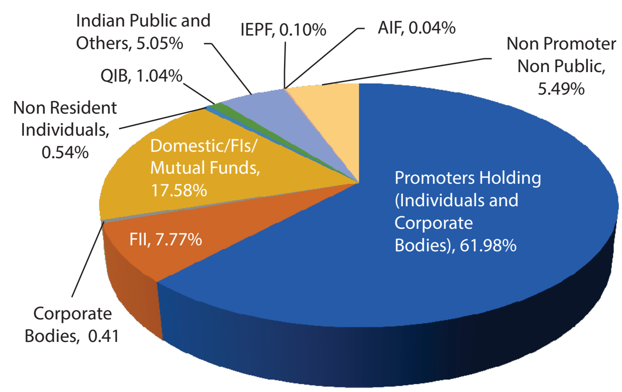
Distribution of Shareholding as on March 31, 2020

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1-5000	33,838	98.64	43,06,677	3.61
2	5001- 10000	138	0.40	5,03,546	0.42
3	10001- 20000	93	0.27	6,52,762	0.55
4	20001- 30000	42	0.12	5,15,110	0.43
5	30001- 40000	20	0.06	3,56,316	0.30
6	40001- 50000	11	0.03	2,39,208	0.20
7	50001- 100000	41	0.12	15,75,995	1.32
8	100001 & Above	123	0.36	11,10,06,686	93.17
	TOTAL	**34,306**	**100**	**11,91,56,300**	**100**

Category of Equity Shareholders as on March 31, 2020

Category		No. of Shares Held	% of Shareholding
(A) Promoters holding			
1.	Individuals	6,000	-
2.	Corporate Bodies	7,38,49,305	61.98
(A) Total Shareholding of Promoters		7,38,55,305	61.98
(B) Non-promoters Holding			
1	Mutual Funds, Banks, Financial Institutions, Insurance Companies, etc.	2,09,45,852	17.58
2	Foreign Institutional Investors	92,63,856	7.77
3	Corporate Bodies	4,83,025	0.41
4	Non-Resident Individuals	6,40,685	0.54
5	Indian Public & Others	60,13,727	5.05
6	IEPF	1,18,902	0.10
7	Qualified Institutional Buyer (QIB)	12,49,567	1.04
8	Alternative Investment Fund (AIF)	43,941	0.04
(B) Total Public Shareholding		**3,87,59,555**	**32.53**
(C) Non-promoter Non-public		**65,41,440**	**5.49**
Total (A)+(B)+(C)		**11,91,56,300**	**100.00**

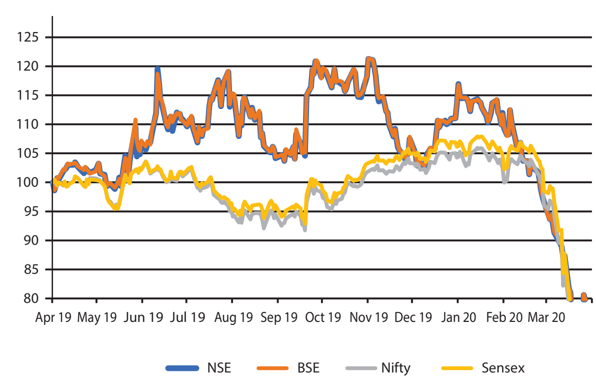
Shareholding Pattern as on March 31, 2020



G. Details of Dematerialisations

The company's equity shares are under compulsory demat trading for all categories of investors. A total of 11,89,13,015 shares have been dematerialised as on March 31, 2020, representing 99.80% of the total equity capital.

Stock Performance



Note: The company's share price and indices have been indexed to 100 as on the first working day of the financial year 2019-20 i.e. April 1, 2019.

H. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

The company has not issued GDRs/ADRs/Warrants or any Convertible Instruments.

I. Foreign Exchange Risk and Hedging Activities:

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

J. Plant Location

Domestic

Pune

- D-13, MIDC Industrial Area, R. D. Aga Road, Chinchwad, Pune - 411 019, Maharashtra.
- 98-99, Bhosari MIDC Industrial Area, Bhosari, Pune - 411 026, Maharashtra.
- D-1 Block, MIDC Industrial Area, Chinchwad, Pune - 411 019, Maharashtra.

Solapur

Plot No. T-1 MIDC, Chincholi, Taluka Mohol,
Dist. Solapur - 413 255 Maharashtra.

Paudh

At Paudh, Post Mazgaon, Taluka Khalapur,
Dist. Raigad - 410 206, Maharashtra.

Savli

Plot No. 21/1-2-3, GIDC Manjusar, Taluka - Savli,
Dist. Vadodara - 391 775, Gujarat.

Mundra SEZ

Survey No. 169, Village Dhrub, Taluka Mundra,
Mundra - 370 421, District Kutch, Gujarat.

Jhagadia

Plot No. 903/1, GIDC, Jhagadia Industrial Estate,
Jhagadia,
Dist. Bharuch - 393 110, Gujarat.

Dahej

Plot No. Z/96/C, Dahej SEZ, Phase-II, Taluka Vagra
Dist. Bharuch - 392 130, Gujarat.

Sri City

2700, Peepul Boulevard Sricity DTZ
Andhra Pradesh - 517 646.

International

Danstoker A/S

Industrivej Nord 13 DK-7400 Herning

PT Thermax Inetrnational Indonesia

Jl. Eropal Kav P2, KIEC, Cilegon-Banten

Danstoker Poland SP.ZO.O.

ul. Kolejowa, nr 20, lok., miejsc. Ostrowiec
Swietokrzyski, kod 27-400, Poczta Ostrowiec
Swietokrzyski, Kraj Polska

Rifox-Hans Richter GmbH Spezialarmaturen,

Bertha-von-suttner-str. 9, 28207 Breman, Germany

K. Address for Correspondence

Investors should address their correspondence to the company's Registrar and Transfer Agent, KFin Technologies Private Limited (erstwhile Karvy Fintech Private Limited), whose address has been provided at (D) above.

Shareholders, holding shares in dematerialised form, should address their queries such as a change in bank account details, address, nomination etc., to their respective Depository Participants (DPs).

Queries relating to the Annual Report may be addressed to:

The Company Secretary,
Thermax Limited,
Thermax House, 14, Mumbai-Pune Road,
Wakdewadi, Pune - 411 003.
Email: cservice@thermaxglobal.com

7. Other Disclosures

A. Related Party Transactions

Related party transactions during the year have been disclosed as a part of financial statements as required under Ind AS 24 issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions. The Related Party Transactions policy as updated in pursuance of SEBI (LODR) (Amendment) Act, 2018 has been uploaded on the website of the company i.e. www.thermaxglobal.com.

B. D&O Insurance for Directors

In line with the requirements of Regulation 24(10) of the SEBI Listing Regulations, the company has taken Directors and Officers Insurance (D&O) for all its directors and members of the senior management for such quantum and for such risks as determined by the Board.

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

During the previous three years there were no instances of non-compliance by the company or penalties, strictures imposed on the company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets.

D. Whistle Blower Policy / Vigil Mechanism

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the company. It gives a platform to the whistleblower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The company has assigned e-mail IDs - tlgovernance@gmail.com or nhm@nawshirmirza.com for reporting or sending a written complaint to the chairperson/chairman or the managing director. The Whistle Blower Policy is available on the website of the company. The confidentiality of such reporting is maintained, and the whistleblower is protected from any discriminatory action.

E. Board Diversity Policy

The policy sets out the approach to diversity on the Board of the company. The policy was adopted at the Board meeting held on June 18, 2020. The policy is available on the website of the company, www.thermaxglobal.com.

F. Insider Trading Policy

The policy provides the framework to deal with securities of the company. The Insider Trading Policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. The policy is available on the website of the company, www.thermaxglobal.com.

G. Policy for determining material subsidiaries is disclosed on the website of the company, www.thermaxglobal.com.

H. The company has complied with the Corporate Governance requirements as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

K. Details of remuneration paid to the statutory auditors:

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

Payment to Statutory Auditors and its Network Firms	March 31, 2020
As Auditor	
Audit and Limited Review Fee	3,26,24,743
In Other Capacity	
Other Services	55,15,755
Reimbursement of Expenses	8,86,730
Total	**3,90,27,227**

L. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	NA
Number of complaints pending as on end of the financial year	Nil

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

8. Non-Mandatory Requirements

The company has adopted the following discretionary practices as specified under Regulation 27(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

A. The Board

The chairperson's office is maintained at the company's expense, which is equipped with all required facilities. The chairperson is also allowed reimbursement of expenses incurred towards the performance of her duties.

B. Separate Post of Chairman and CEO

The company has separate positions of non-executive chairperson and managing director & CEO.

C. Reporting of Internal Auditor

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

ANNEXURE-A

To the Shareholders of Thermax Limited

Sub: Compliance with Code of Conduct

The company has adopted a Code of Conduct, which deals with governance practices expected to be followed by Board members and senior management employees of the company.

I hereby declare that all the directors and senior management employees have affirmed compliance with the Code of Conduct adopted by the Board.

Pune: June 18, 2020

M. S. Unnikrishnan
Managing Director & CEO

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ANNEXURE -B

Certification by chief executive officer and chief financial officer

To,
The Board of Directors,
Thermax Ltd., Pune.

Dear Sirs,

We hereby certify, to the best of our knowledge and belief, that:

a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, those deficiencies, of which we are aware, in the design or operation of such internal controls, and we have taken the required steps to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee that :-
   i. there have been no significant changes in internal control over financial reporting during the year;
   ii. there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. there have been no instances of significant fraud, of which we have become aware involving management or an employee having a significant role in the company's internal control system over financial reporting.

For THERMAX LTD

M. S. Unnikrishnan
Managing Director & CEO

Rajendran Arunachalam
EVP & Group CFO

Date: June 18, 2020
Place: Pune

THERMAX

Certificate from Company Secretary in Practice

ANNEXURE -C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Thermax Limited,
D-13, MIDC, Chinchwad,
Pune - 411019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Thermax Limited (hereinafter referred to as 'the Company'), having CIN- L29299PN1980PLC022787 and having registered office at D-13, MIDC Industrial Area, R D Aga Road, Chinchwad, Pune – 411 019 produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary) and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs except for one of the Director at serial number 7

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Meher Pudumjee	00019581	January 15, 2001
2	Pheroz Pudumjee	00019602	January 15, 2001
3	Dr. Jairam Varadaraj	00003361	January 31, 2003
4	Nawshir Mirza	00044816	May 03, 2011
5	S.B. (Ravi) Pandit	00075861	May 30, 2017
6	Harsh Mariwala	00210342	November 10, 2016
7	Dr. Valentin von Massow	00239314*	January 31, 2006
8	M.S. Unnikrishnan	01460245	July 1, 2007
9	Rajani Kesari	02384170	November 14, 2018

*DIN has been deactivated due to non-filing of e-form DIR-3 KYC as required under Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014

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

For SVD & Associates
Company Secretaries

S. V. Deulkar
Partner
FCS No: 1321 | CP No: 965
UDIN: F001321B000351022
Date: 18.06.2020 | Place: Pune

Auditor's Certificate

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Thermax Limited
Thermax Limited,
Thermax House,
14, Mumbai Pune Road,
Wakdewadi,
Pune – 411 003

1. The Corporate Governance Report prepared by Thermax Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, i.e. regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Directors Register as on March 31, 2020 and verified that atleast one women director was on the Board during the year;

iv. Obtained and read the minutes of the following committee meetings held during the reporting year:
   (a) Board of Directors meeting;
   (b) Audit Committee;
   (c) Risk management Committee (w.e.f. November 12, 2019);
   (d) Corporate Social Responsibility (CSR) committee;
   (e) Annual General meeting;
   (f) Nomination and remuneration committee;
   (g) Stakeholders Relationship Committee
   (h) International investment committee;
   (i) Strategic Business Development Committee; and
   (j) Independent directors meeting;

v. Obtained necessary declarations from the directors of the Company;

vi. Obtained and read the policy adopted by the Company for related party transactions;

vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the Audit Committee meeting where in such related party transactions have been pre-approved prior by the Audit Committee;

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 2 above.

Other Matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per Tridevlal Khandelwal
Partner
Membership Number: 501160
UDIN- 20501160AAAABP3869

Place of Signature: Pune
Date: June 18, 2020

Annexure - 2 to the Directors' Report

Business Responsibility Report

SECTION A:

General Information About the Company (Group)

1	Corporate Identity Number (CIN) of the Company	L29299PN1980PLC022787
2	Name of the company	Thermax Limited
3	Registered address	D-13, MIDC, Industrial Area, R. D. Aga Road, Chinchwad, Pune 411019
4	Website	www.thermaxglobal.com
5	E-mail id	cservice@thermaxglobal.com
6	Financial year reported	FY 2019-20
7	Sector(s) that the company is engaged in (industrial activity code-wise)	25131: boilers and heaters, absorption chillers/heat pumps, power plants, solar equipment, related services 37003, 20119: air pollution control equipment/systems, water and wastewater, recycle plant, ion exchange resins and performance chemicals, related services 20119: ion exchange resins, performance chemicals, construction chemicals, oil field chemicals, related services
8	List three key products/services that the company manufactures/provides (as in balance sheet)	1. Energy Segment - 80.4% (boilers & heaters, absorption chillers/heat pumps, power plants, solar equipment related services) 2. Environment Segment - 12.4% (air pollution control equipment/systems, water & waste recycle plant, ion exchange resins & performance chemicals, related services) 3. Chemical - 7.2% (boiler and water chemicals, ion exchange resins, performance chemicals, construction chemicals, oil field chemicals, related services)
9	Total number of locations where the company undertakes business activity	International - 4 manufacturing locations National - 10 manufacturing locations
	Number of International Locations (provide details of major 5)	The company has manufacturing facilities in Germany, Denmark, Poland and Indonesia.
	Number of National Locations	Pune (2), Shirwal, Solapur, Savli, Paudh, Jhagadia, Mundra SEZ, Dahej and Sri City.
10	Markets served by the company - Local/State/National/International	National and International

SECTION B:

Financial Details of the Company (Group)

1	Paid up Capital (INR)	Rs. 22.52 crore
2	Total Income (INR)	Rs. 5,831 crore
3	Total profit after taxes (INR)	Rs. 212 crore
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit before tax pursuant to Section 198 (%)	2% (Rs. 7.97 crore)
5	List of activities in which expenditure in 4 above has been incurred:-	Thermax created a formal structure named 'Thermax Foundation' to formulate and implement its CSR programme. The company has been focusing predominantly in the area of education of economically underprivileged children. Apart from education, Thermax addresses social discrimination through affirmative action, skill development and employability initiatives. The primary areas in which the expenditure has been incurred include - 1. The School Project 2. Akansha and Teach for India Alumni Support 3. CSR at Thermax Factory Locations 4. COVID-19 Crisis Support

SECTION C:
Other Details

1	Does the company have any subsidiary company/ companies?	Yes Thermax has 30 subsidiary companies in India and abroad as on March 31, 2020
2	Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes 7 domestic subsidiaries and 4 international subsidiaries
3	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the company does business with, participate in the BR initiatives of the company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]	No

SECTION D:
BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1	DIN Number	01460245
2	Name	M.S. Unnikrishnan
3	Designation	Managing Director & CEO

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	07068529 (Thermax Foundation)
2	Name	Sharad Gangal
3	Designation	Executive Vice President, HR, IR, Administration
4	Telephone number	020 - 66051200
5	E-mail id	Sharad.Gangal@Thermaxglobal.com

1. Principle-wise (as per NVGs) BR Policy/Policies

a. Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Yes								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable laws and in line with international standards such as ISO, ILO (International Labour Organisation), and OSHAS								
4	Has the policy being approved by the Board?	Yes								
	If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	The policies have been signed by appropriate authorities								
5	Does the company have a specified committee of the Board/ Director/official to oversee the implementation of the policy?	The Board has appointed a BR director to oversee policy implementation. Thermax has a well-established internal governance structure to ensure the implementation of various policies, internal regulations and procedures. We have internally mapped all policies, internal regulations and procedures to business functions responsible for implementation.								
6	Indicate the link for the policy to be viewed online?	Copies are available on www.thermaxglobal.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the company have in-house structure to implement the policy/ policies?	Yes								
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes. All our policies and procedures are continuously evaluated by internal auditors.								

2. Governance related to BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	Annually by the Board Quarterly by the CEO
b	Does the company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes The BRR is a part of the Annual Report and is available on the Thermax website, www.thermaxglobal.com

THERMAX

SECTION E:

Principle-wise Performance

Principle 1 – Ethics, Transparency and Accountability

Company's Philosophy on Corporate Governance:

Refer to the Business Model on page 16 and Corporate Governance Report on page 68.

Whistle Blower Policy / Vigil Mechanism:

Refer to the Human Capital inputs and outputs in the Business Model section on page 16.

Shareholder Complaints Redressal Mechanism:

The company has received 26 complaints from shareholders, and all were resolved as on March 31, 2020.

Principle 2 – Product Life Cycle Sustainability

Sustainable Product Innovation:

Refer to the Intellectual Capital section on page 48 and Manufactured Capital section on page 40.

Resource Used – Energy Consumption:

Refer to the Natural Capital section on page 50.

Sustainable Sourcing:

Refer to the Social and Relationship Capital section on page 44.

Recyclable Products and Waste:

Waste management practices are carried out as per Environment Management System (EMS) where the waste is segregated into hazardous and non-hazardous categories. Hazardous waste is disposed as per legal requirements. E-waste is recycled through Central Pollution Control Board (CPCB) registered recycler. Other types of wastes, wherever possible, is recycled or reused.

Principle 3 – Employee Well-being

Diversity in Employment:

Refer to the Human Capital section on page 42 and inputs and outputs in the Business Model section on page 16.

Employee Association Recognised by Management:

Thermax has workmen associations at factories, and the involvement of permanent employees in associations is 100% at Chinchwad (Maharashtra), 80% at Paudh (Maharashtra) and 80% at Savli (Gujarat) locations.

Safety Training:

Refer to Human Capital section on page 42.

Principle 4 – Stakeholder Engagement

Refer to the Engaging with Stakeholders section on page 54 and Addressing Material Issues on page 56.

Principle 5 – Human Rights

Refer to the Human Capital inputs and outputs in the Business Model section on page 16.

Principle 6 – Environment

Refer to the Natural Capital section on page 50.

There was no pending show cause notice from SPCB/CPCB as on March 31, 2020.

Principle 7 – Policy Advocacy

Thermax is a member of various trade and chambers or association. Some of these associations include:

- All India Management Association
- Indo German Chamber of Commerce
- CII's National Committee for Capital Goods & Engineering
- CII National Committee on Industrial Relations
- Represents Capital Goods Industry on FICCI's Sectoral Skill Council
- Member of the Development Council appointed by the Ministry of Heavy Industries and Public Undertaking, Government of India
- Maratha Chamber of Commerce Industry and Agriculture

- Member of Governing Council for Capital Goods Committee for Skill Development
- Bombay Management Association
- Technology Information, Forecasting and Assessment Council (TIFAC)
- Member of FICCI Power Committee
- Member of CII National Committee of Bioenergy
- Member of DST's Water Technology Initiative (WTI)
- Member of Methanol Group, Niti Aayog
- Boilers and pressure vessels Sectional Committee, MED01, BIS

Principle 8 – Equitable Development

Refer to the Social and Relationship Capital section on page 44.

Principle 9 – Customer Value

Refer to the Communication and Engagement with Stakeholders on Page 54.

Refer to the Social and Relationship Capital inputs and outputs in the Business Model section on page 16:

- % Complaints Resolved
- No. of Complaints Relating to Unfair Trade Practices, Irresponsible Advertising or Anti-Competitive Behaviour Against the Company

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Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

(i) Steps Taken for Conservation of Energy

During the year, the following measures were taken for energy and resource conservation:

a. Electricity

The company continued its efforts to utilise energy optimally at its manufacturing facilities and office locations in India.

At Chinchwad, Dahej and Sricity, lighting systems have improved by optimising load and changing over to Light Emitting Diodes (LEDs), replacing Compact Fluorescent Lamp (CFL) and higher watt High Pressure Sodium Vapour (HPSV) lamps with lower watt lamps. Another initiatives comprise the reconditioning of a chiller at Energy House, Pune and savings from automation of blasting operations at Solapur plant.

b. Fuel

Various initiatives have been implemented at Paudh and Dahej plant such as enhancing the steam-to-fuel ratio in boiler operations, optimisation of process operations for solvent recovery and heat recovery units at drying section. All these initiatives had resulted into savings of 162 MT of furnace oil and 52,165 SCM of natural gas.

All these measures including solar rooftop installations have resulted into an annual saving of Rs. 219 lakh.

c. Water

The company continued its efforts to conserve water resources by recycling a major portion of its wastewater, harvesting of rainwater and reducing its water consumption as well as controlling water losses in all domestic manufacturing and office locations of the company. These efforts at factory locations of Chinchwad, Savli, Paudh, Solapur, Jhagadia, Shirwal, Sricity and Dahej have resulted in savings of 3,06,285 m3 water during the year.

(ii) Steps Taken by the Company for Utilising Alternate Sources of Energy

The company continues its efforts to utilise alternate sources of energy at plant locations. The total installed capacity of 1.16 MWp of rooftop captive solar power generation projects at Savli, Sricity, Jhagadia and offices at Pune have generated 8.55 lakh units during the year.

B. Technology Absorption

1. Efforts, in brief, made towards technology absorption

- Thermax initiated the project on methanol production from Indian coal closely working with Indian Institute of Technology (IIT) Delhi and NITI Aayog. The project is funded by the Department of

Science and Technology, Ministry of Science & Technology, Government of India. Thermax has worked on some novel process for the conversion of Indian coal to methanol and the pilot plant based on this process is under the construction. Thermax is also using its networking capabilities to engage some major public sector companies and R&D institutions.

- Thermax has absorbed lithium-ion based battery technology from Indian Space Research Organisation (ISRO). This technology provides higher power density compared to existing technologies and hence is likely to provide viable option for energy storage applications.
- New applications of multi effect evaporator technology for Zero Liquid Discharge (ZLD) have been stabilised and being monitored through remote monitoring system.
- In cooperation with a major telecom company, Thermax has developed a backup power generation solution for telecom towers based on indigenously-developed fuel cell technology. The pilot unit based on this technology is undergoing trials on simulated towers.

2. Benefits derived as a result of the above efforts – product improvement, cost reduction, product development, import substitution, etc.

The fuel cell systems offer viable solution as a backup power generator for telecom towers. Indigenous development makes the product cost-effective.

The ZLD systems developed by the company offer nearly 20% cost benefit compared to existing technologies.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year), following information is furnished:

Technology Imported	Year of Import	If Technology Has Been Fully Absorbed	If Not Absorbed, Reasons and Future Plan of Action
Wet & Dry Flue Gas Desulfurization (FGD)	2015	In the process of absorption	Your company has bagged two orders in FY 2019-20. Wet FGD technology will be absorbed to a great extent by the time these orders are executed and commissioned with assistance from the technology partner.

4. Expenditure on R&D

Particulars	Amount in Rs. crore	
	Current Year 2019-20	**Previous Year 2018-19**
a. Capital	1.60	0.43
b. Recurring	28.25	31.43
c. Total	29.85	31.86
d. Total R&D expenditure as a percentage of turnover	**0.72%**	**0.62%**

5. Foreign Exchange Earnings and Outgo

The company's operations in export markets are elaborated in the Management Discussion and Analysis Report.

During the year, the company had net foreign exchange inflows of Rs. 898 crore as against a net inflow of Rs. 1,010 crore in the previous year.

For and on behalf of the Board

Meher Pudumjee

Chairperson

Pune, June 18, 2020 [DIN 00019581]

Annual Report on CSR Activities and CSR Policy

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programme

The Board of Directors of Thermax Limited., after considering the recommendations of the CSR committee, has approved the CSR Policy for the company. The highlights of the policy are given in this report and the complete policy is uploaded on the company's website, www.thermaxglobal.com.

Thermax Foundation (TF - a section 8 company) has been focussing predominantly in the area of education of economically underprivileged children. Its emphasis on promoting educational equity is based on the conviction that where a child comes from should not determine who he or she will become, every child irrespective of his/her socio-economic background should be able to avail the advantages of quality education. For the same, Thermax has been building partnerships with the Government, NGOs, individuals, and other organisations representing civil societies.

Additionally, since Thermax has grown from one factory location at Pune to other locations in India and overseas, there will be wider CSR focus around each of the factories over time, involving employees, local NGOs and the community. The work will be based on the need of that respective location, along with the involvement of credible NGOs.

With the recent pandemic, TF has been involved with feeding migrant and daily wage earners, who have suddenly been stranded in cities. It has also been providing food packs to those who have kitchens. For the police force in the city of Pune, those who are on the frontline, TF has provided N95 masks, as also thousands of cloth masks to them and the poor in slums, especially those in the containment zone. TF has also bought equipment that a hospital in Pune needs, in order to fight Covid-19. Each of the factory locations have been involved in Covid relief.

Apart from continuing some of our activities that are long term, namely education, the CSR committee of the company has allocated Rs. 5 crore from the corpus funds for Covid relief. A part of this money will go to the Prime Minister CARES Fund as also to the Chief Minister Fund for Maharashtra, Gujarat and Andhra Pradesh, where Thermax has its factories . All this will be spent from the 2020-21 budget, however the work began in March end, hence it is mentioned here but not accounted for in 2019-20.

Employee volunteering is one of the important areas through which Thermax would extend its contribution towards CSR. Thermax will have both short term need based CSR volunteering activities and long term sustainable avenues for employees to offer their services in the areas of education, environment, skill-building, or a befitting area that will make a difference.

CSR Policy Highlights

In a society characterised by widening inequalities of income and opportunity, Thermax believes that education is the single most powerful instrument of change that gives a child choices in life, hopefully leading a child out of the vicious cycle of poverty and thereby, transforming the life trajectory of a family. The following methodology is adopted for carrying out CSR activities:

- **Support to NGOs:** Support-deserving and credible NGOs within India doing quality work, either as one-time in rare cases or for the long term, as the case may be. Evaluate and assess the need of projects and help in increasing their impact.
- **Project evaluation & monitoring:** Study and evaluate the projects for funding from the perspective of corpus available, people involved, impact, need and timeframe and a third party where applicable, for measurement of social impact. Uphold accountability for the funds invested in the NGO's project through regular monitoring of the project's progress.
- **People focus and belief in value-based partnership:** TF ensures the credibility of the NGO and the people involved before funding a project. It values transparent and honest communication with its partners and works collaboratively in decision-making.
- **Employee involvement:** Thermax endeavours to engage its employees in implementing its CSR activities.
- The CSR committee shall be responsible for monitoring implementation and evaluating the impact, as also updating the policy from time to time.
- The CSR committee shall ensure that the surplus (if any) arising out of CSR activities shall not form part of the business profit of the company.
- The CSR committee will meet twice a year to monitor the process, progress and impact of the various projects undertaken. The CSR committee in turn would keep the Board informed.

3. Composition of the CSR Committee

In accordance with Section 135 of the Companies Act, 2013 and the Rules pertaining thereto, a committee of the Board known as 'Corporate Social Responsibility (CSR) Committee' comprising the following members has been constituted:

Meher Pudumjee	Non-Executive Director	Chairperson
Nawshir Mirza	Independent Director	Member
S. B. (Ravi) Pandit	Independent Director	Member

Average net profit of the company for the last three financial years, as per Section 198 of the Companies Act, 2013

The average net profit of the company for the last three financial years is Rs. 373.20 crore.

Prescribed CSR expenditure (two per cent of the amount as in item 3 above)

The company has contributed Rs. 7.47 crore to TF as CSR spend during the financial year 2019-20 against statutory requirement of Rs. 7.46 crore (2% of Rs. 373.20 crore).

4. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year: Rs. 7.47 crore

b. Actual amount spent by the company for the financial year: Rs. 7.47 crore

c. Total amount spent by TF for the financial year: Rs. 7.97 crore

d. Amount underspent: NA

e. Manner in which the amount spent during the financial year is detailed on the next page.

5. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report

The CSR activities of the company are implemented through TF. The company has contributed 2% of the average profit as donation to TF during FY 2019-20 which amounted to Rs. 7.47 crore. During the year, TF has spent Rs. 7.97 crore. TF continuously monitors the progress of projects implemented by the partner organisations and helps them to achieve the expected outcome.

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and policy of the company.

(Managing Director & CEO) (Chairperson - CSR Committee)

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Reporting on the CSR Activities

For the year ended March 31, 2020

1	2	3	4	5	6	7	8
Sr No.	**CSR Project or Activity Identified**	**Sector in Which Project is Covered**	**Projects or Programmes (1) Local Area or Other (2) Specify the State and District Where Projects or Programmes Were Undertaken**	**Amount Outlay (Budget) Project or Programme Wise**	**Amount Spent on Projects or Programme (1) Direct Expenditure (2) Overheads**	**Cumulative Expenditure up to the Reporting Period**	**Amount Spent Directly by Thermax Foundation or Through Implementing Agency**
				Rs. in lakh			
1	Strengthening the quality of education in three municipal schools through a Public-Private Partnership between Thermax Foundation, Akanksha Foundation and Pune Municipal Corporation	Education	School Project, Pune	713.83	695.87	695.87	Akanksha Foundation
2	To ensure that a cohort of alumni from Teach For India schools (high probability of dropping from further studies) continue with education through academic, career guidance and counselling support through the NGO iTeach	Education	iTeach (Alumni student wing)	-	5.24	5.24	iTeach
3	Funding the Teach For India fellows teaching in Akanksha schools supported by Thermax Foundation	Education	Teach For India (TFI) - Pune	16.80	18.41	18.41	Teach to Lead
4	Funding *Sahayogi-Dal* teacher mentorship project	Education	Pune City Connect (PCC) - Pune	25.00	25.00	25.00	Pune City Connect
5	Employee volunteering in CSR	Need Based	Thermax Locations	10.00	12.14	12.14	Direct
6	Funding support based on the need identified from community near Thermax's factory locations	Need Based	CSR at Factory	50.00	34.52	34.52	Manavlok (Solapur), Manavseva (Savli), Deepak Foundation (Savli), Srotoshwini (Savli)
7	Sponsoring women exemplar programme for grass-root leadership building	Skill Development	CII Foundation - Mumbai	5.00	5.00	5.00	CII Foundation
8	Running for a cause - Rotary Club of Nigdi	Rural Development	Runathon - Pune	1.00	1.00	1.00	Rotary Club of Nigdi Pune Charitable Trust
	Total			**821.63**	**797.18**	**797.18**	

Annexure – 5 (a) to the Directors' report

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
and
Regulation 24A of SEBI (LODR) Regulations, 2015.

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018 **(Not applicable to the Company during the Audit Period);**

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the company during the Audit Period);**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 **regarding the Companies Act and dealing with client;**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and

h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

vi) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

We have also examined compliance with the applicable clauses and regulations of the following:

(i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

(ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors *except that it consists of a director whose Director Identification Number (DIN) has been deactivated due to non-filing of e-form DIR-3 KYC as required under Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014.* The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further Information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES) has become a material subsidiary of the Company w.e.f. April 1, 2019.
2. The Company has acquired the entire stake held by the joint venture partners namely Mutares Holding-24 AG, Germany and Balckeduerr GmbH, Germany in Thermax SPX Energy Technologies Limited (TSPX) on April 11, 2019 thus making TSPX a wholly-owned subsidiary of the Company.
3. The Interim dividend declared at the board meeting held on March 13, 2020 was remitted through electronic mode i.e., NEFT/RTGS/Fund Transfer/Direct Credit/NACH to the shareholders, whose bank account details were registered with the respective Depository Participant (DP), on the Payment date March 27, 2020. However, there is a delay in dispatch of Demand Drafts (DDs) to shareholders to whom the said dividend is to be paid through non-electronic mode, due to the nation-wide lockdown announced by the Government of India on the backdrop of COVID-19 pandemic. As allowed by the Ministry of Corporate Affairs vide its General Circular no. 20/2020 dated May 5, 2020, the Company has undertaken to dispatch the DDs to such shareholders by post upon normalization of the postal services.

Place: Pune
Date: 18.06.2020

For SVD & Associates
Company Secretaries

S V Deulkar
Partner
FCS No: 1321
C P No: 965
UDIN: F001321B000351055

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE - A

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

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.
5. We have also relied on the documents and evidences provided on email to us, in view of the prevailing pandemic situation of COVID -19.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 18.06.2020

For SVD & Associates
Company Secretaries

S V Deulkar
Partner
FCS No: 1321
C P No: 965
UDIN: F001321B000351055

Annexure – 5 (b) to the Directors' report

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended March 31, 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Thermax Babcock & Wilcox Energy
Solutions Private Limited
Dhanraj Mahal, 2nd Floor,
Chhatrapati Shivaji Maharaj Marg,
Near Regal Cinema, Colaba
Mumbai - 400039

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Babcock & Wilcox Energy Solutions Private Limited** (CIN: U29253MH2010PTC204890) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under; **(NOT APPLICABLE TO THE COMPANY)**
3. The Depositories Act, 1996 and the Regulations and Bye-law framed thereunder; **(NOT APPLICABLE TO THE COMPANY)**

4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under; **(NOT APPLICABLE TO THE COMPANY)**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India , 1992 ('SEBI Act'); **(NOT APPLICABLE TO THE COMPANY)**
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(NOT APPLICABLE TO THE COMPANY)**
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(NOT APPLICABLE TO THE COMPANY)**
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(NOT APPLICABLE TO THE COMPANY)**
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(NOT APPLICABLE TO THE COMPANY)**
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE TO THE COMPANY)**
   (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993; **(NOT APPLICABLE TO THE COMPANY)**
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(NOT APPLICABLE TO THE COMPANY)**
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(NOT APPLICABLE TO THE COMPANY)**
6. Other laws specifically applicable to company have substantially complied with.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings;

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(NOT APPLICABLE TO THE COMPANY).**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All the decisions are carried through majority.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Company has acquired the Boiler & Heater (B&H) business of Thermax Limited through a slump sale.

Place: Pune
Date: June 02, 2020

For, Anurag Vyas & Associates
Company Secretaries

Anurag S. Vyas
ACS - 41824
CP No. - 15536
UDIN: A041824B000311291

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

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ANNEXURE - A

To,
The Member,
Thermax Babcock & Wilcox Energy
Solutions Private Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Due to the lockdown situation arises out of COVID-19 pandemic; we are not able to verify original physical records kept with the office of the company. Hence we have relied upon the copies of documents received through emails from the officers of the company.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the sample test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on sample test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: June 02, 2020

For, Anurag Vyas & Associates
Company Secretaries

Anurag S. Vyas
ACS - 41824
CP No. - 15536
UDIN: A041824B000311291

Annexure – 6 to the Directors' report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year Ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details :

i.	CIN	:	L29299PN1980PLC022787
ii.	Registration Date	:	June 30, 1980
iii.	Name of the Company	:	Thermax Limited
iv.	Category / Sub-Category of the Company	:	Public Company/Limited by shares
v.	Address of the Registered Office and Contact Details	:	D-13, MIDC Industrial Area, R. D Aga Road, Chinchwad - 411 019, Pune, Maharashtra. Contact details: Corporate office Tel: +91-020-66122100 Fax: +91-020-25541226
vi.	Whether listed company	:	Yes
vii.	Name, Address and Contact Details of Registrar and Transfer Agent, if any	:	1. **Name**: KFin Technologies Pvt. Ltd. Unit : Thermax Limited 2. **Address**: Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 India. 3. **Contact** : i. Phone No.: 040-67161500, 33211000 ii. Fax No: 040-23420814, 23001153 iii. Toll free: 1800 3454 4001 iv. Email ID: einward.ris@kfintech.com v. Website: www.kfintech.com

II. Principal Business Activities of the company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of Main Products/Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	Boilers and Heaters, Absorption Chillers/Heat Pumps, Power Plants, Solar Equipment, related services.	25131	74
2	Air Pollution Control Equipments/System, Water & Waste Recycle Plant, related services.	37003	16

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associates	% of Shares Held	Applicable Section
1.	RDA Holdings Private Limited* 501, 5th Floor, Marvel Alaina, Koregaon Park, Pune-411001	U45001PN1982PTC026507	Holding	53.99	2(46)
2.	Thermax Onsite Energy Solutions Ltd. Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune-411003	U40109PN2009PLC134659	Subsidiary	100	2(87)(ii)
3.	Thermax Instrumentation Ltd. Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune-411003	U72200MH1996PTC099050	Subsidiary	100	2(87)(ii)
4.	Thermax Engineering Construction Company Ltd. Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune-411003	U29246MH1991PLC062959	Subsidiary	100	2(87)(ii)
5.	Thermax Sustainable Energy Solutions Ltd. Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune-411003	U29219PN1987PLC045658	Subsidiary	100	2(87)(ii)
6.	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg, Near Regal Cinema, Colaba, Mumbai-400039	U29253MH2010PTC204890	Subsidiary	100	2(87)(ii)
7.	Thermax Cooling Solutions Ltd. (Formerly known as Thermax SPX Energy Technologies Ltd.) Thermax House, 14, Mumbai-Pune Road, Wakdewadi,, Pune-411003	U29299PN2009PLC134761	Subsidiary	100	2(87)(ii)
8.	First Energy Private Ltd. Thermax House, 14, Mumbai-Pune Road, Wakdewadi, Pune-411003	U40200PN2008FTC139032	Subsidiary	76	2(87)(ii)
9.	Thermax International Ltd. 9th Floor, Ebene Tower, 52 Cybercity, Ebene, Republic of Mauritius	NA	Subsidiary	100	2(87)(ii)
10.	Thermax Europe Ltd. I Lumley Street, Mayfair, London W1K 6TT, UK	NA	Subsidiary	100	2(87)(ii)
11.	Thermax Inc. 16200, Park Row, Suite 190, Huston, Texas 77084, USA	NA	Subsidiary	100	2(87)(ii)
12.	Thermax do Brasil Energia e Equipamentos Ltda. Av. Paulista, 37-04, ander-edificio Pq, cultural Paulista, São Paulo, Brazil	NA	Subsidiary	100	2(87)(ii)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associates	% of Shares Held	Applicable Section
13.	Thermax (Zhejiang) Cooling & Heating Engineering Co Ltd. No. 645, Chayuan Road, Jiaxing Economic Development Zone, Jiaxing, Zhejiang, China, PRC. Post: 314003	NA	Subsidiary	100	2(87)(ii)
14.	Thermax Denmark ApS. Industrivej Nord 13, 7400 Herning, Denmark	NA	Subsidiary	100	2(87)(ii)
15.	Thermax Netherlands BV. Herikerbergweg 238 Luna Arena, 1101 CM Amsterdam Zuidoost, The Netherlands	NA	Subsidiary	100	2(87)(ii)
16.	Danstoker A/S Industrivej Nord 13DK-7400, Herning, Denmark	NA	Subsidiary	100	2(87)(ii)
17.	Ejendomsanpartsselskabet Industrivej Nord 13, DK-7400 Herning, Denmark	NA	Subsidiary	100	2(87)(ii)
18.	Boilerworks A/S Papegøjevej 7, DK 6270,Tonder, Denmark	NA	Subsidiary	100	2(87)(ii)
19.	Boilerworks Properties ApS Industrivej Nord 13, 7400, Herning, Denmark	NA	Subsidiary	100	2(87)(ii)
20.	Rifox-Hans Richter GmbH Spezialarmaturen Bertha-Von-Suttner- Str. 9, 28207 Bremen, Germany HRB3148	NA	Subsidiary	100	2(87)(ii)
21.	Thermax SDN.BHD Suite 50-4-3A, 4th Floor, Wisma UOA Damansara 50, Jalan Dungun 50490 Kuala Lumpur, Malaysia	NA	Subsidiary	100	2(87)(ii)
22.	Thermax Engineering Singapore Pte. Ltd. 100 Beach Road #30-00 Shaw Towers, Singapore 189702	NA	Subsidiary	100	2(87)(ii)
23.	PT Thermax International Gendung Menara Palma Lontai 9, Unit 9-02, B/03, J1 HR, Rasuna Said Block X2 Kav 6, Jakarta, 12950 Indonesia	NA	Subsidiary	100	2(87)(ii)
24.	Thermax Senegal S.A.R.L, Dakar Senegal Domicilia 29 Avenue Pasteur, Senegal	NA	Subsidiary	100	2(87)(ii)
25.	Thermax Nigeria Ltd. Landmark Towers, Plot 5B, Water Corporation Road, Victoria Island, Lagos, Nigeria	NA	Subsidiary	100	2(87)(ii)
26.	Thermax Energy & Environment Philippines Corporation 10/F 8 Rockwell Hidalgo – Plaza Drive Rockwell center Makati, Matro Manila, Philippines	NA	Subsidiary	100	2(87)(ii)
27.	Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia ul. kolejowa, nr 20, lok. ---, miejsc. ostrowiec swietokrzyski, kod 27-400, poczta ostrowiec, swietokrzyski, kraj polska	NA	Subsidiary	100	2(87)(ii)
28.	Thermax Energy & Environment Lanka (Private) Ltd. Level 3, No. 11, Castle Lane, Colombo 04	NA	Subsidiary	100	2(87)(ii)
29.	Thermax Engineering Construction FZE Dangote Industries Free Zone Development Company, LFZ, Lekki Coastal Road Ibeju-Lekki, Lagos, Nigeria	NA	Subsidiary	100	2(87)(ii)
30.	Thermax International Tanzania Ltd.	NA	Subsidiary	100	2(87)(ii)
31.	Thermax (Thailand) Ltd.	NA	Subsidiary	100	2(87)(ii)

*ARA Trusteeship Company Pvt. Ltd. (ARA) holds 7.99% shares of the company. ARA also holds 99.99% equity share capital of RDA Holdings Pvt. Ltd. (RDA). This shareholding of ARA in RDA is in a fiduciary capacity (i.e. holding shares in trust) and hence it is not considered for the purpose of determining the 'holding-subsidiary' relationship between RDA and ARA in view of Ministry of Corporate Affairs, Circular No. 20/2013 dated December 27, 2013. In view of this, RDA is the holding company of Thermax Limited.

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares Held at the Beginning of the Year (As on 01-04-2019)				No. of Shares Held at the End of the Year (As on 31-03-2020)				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	6000	0	6000	0	6000	0	6000	0	0
b) Central Govt(s)	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	73849305	0	73849305	61.98	73849305	0	73849305	61.98	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other (Relative of Director)	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):	**73855305**	**0**	**73855305**	**61.98**	**73855305**	**0**	**73855305**	**61.98**	**0**
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**73855305**	**0**	**73855305**	**61.98**	**73855305**	**0**	**73855305**	**61.98**	**0**
B. Public Shareholding									
1. Institution									
a) Mutual Funds	14579583	0	14579583	12.24	18785026	0	18785026	15.77	3.53
b) Banks/FI	1959858	0	1959858	1.64	2204767	0	2204767	1.85	0.21
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	14173194	0	14173194	11.89	9263856	0	9263856	7.77	(4.12)

Category of Shareholders	No. of Shares Held at the Beginning of the Year (As on 01-04-2019)				No. of Shares Held at the End of the Year (As on 31-03-2020)				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Any other	0	0	0	0	0	0	0	0	0
Sub-total(B)(1):	**30712635**	**0**	**30712635**	**25.78**	**30253649**	**0**	**30253649**	**25.39**	**(0.39)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1329242	1000	1330242	1.12	482025	1000	483025	0.41	(0.71)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders Holding Nominal Share Capital upto Rs. 1 Lakh	5084310	855470	5939780	4.98	5704063	241785	5945848	4.99	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh*	3440174	3107305	6547479	5.49	6545204	0	6545204	5.49	0
c) Others (specify)									
– Directors Relative	0	0	0	0	0	0	0	0	0
– Trusts	7457	0	7457	0.01	8512	0	8512	0.01	0
– Foreign Bodies Corporate	0	0	0	0	0	0	0	0	0
– Foreign Bodies-DR	0	0	0	0	0	0	0	0	0
– Non Resident Indian	187280	500	187780	0.16	238709	500	239209	0.2	0.04
– NRI Non Repatriation	436064	0	436064	0.37	401476	0	401476	0.34	(0.03)
– HUF	0	0	0	0	0	0	0	0	0
– Clearing Members	57509	0	57509	0.05	55303	0	55303	0.05	0
– IEPF	69928	0	69928	0.06	118902	0	118902	0.1	0.04
Sub total (B)(2):-	10624085	3964275	14588360	12.24	14804061	243285	15047346	12.63	0.39
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**41336720**	**3964275**	**45300995**	**38.02**	**45057710**	**243285**	**45300995**	**38.02**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	**115192025**	**3964275**	**119156300**	**100**	**118913015**	**243285**	**119156300**	**100**	**0**

*Note : *This includes 6541440 equity shares (5.49%) held by Employee Benefit Trust of the company which are being disclosed to the stock exchanges as 'Non promoter - Non public' category in the shareholding pattern.*

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the Year (As on 01-04-2019)			Shareholding at the End of the Year (As on 31-03-2020)			
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged/ Encumbered to Total Shares	% Change in Shareholding During the Year
1	RDA Holdings Private Ltd. Trading Pvt. Ltd.	64328500	53.99	0	64328500	53.99	0	0
2	ARA Trusteeship Company Private Limited	9520805	7.99	0	9520805	7.99	0	0
3	Arnavaz Rohinton Aga				NIL			
4	Meher Pudumjee							
5	Pheroz Pudumjee	6000	0	0	6000	0	0	0
	Total	**73855305**	**61.98**	**0**	**73855305**	**61.98**	**0**	**0**

iii) Change in Promoters' Shareholding

There is no change in promoter's shareholding during the year.

(This space is intentionally left blank)

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares at the Beginning (01-04-2019)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
1	Matthews Pacific Tiger Fund	3763769	3.16	30/03/2019			3763769	3.16
				05/04/2019	-757870	Transfer	3005899	2.52
				19/04/2019	-108289	Transfer	2897610	2.43
				26/04/2019	-222669	Transfer	2674941	2.24
				03/05/2019	-62462	Transfer	2612479	2.19
				10/05/2019	-6560	Transfer	2605919	2.19
				17/05/2019	-31818	Transfer	2574101	2.16
				24/05/2019	-518959	Transfer	2055142	1.72
				31/05/2019	-757870	Transfer	1757998	1.48
				07/06/2019	-402079	Transfer	1355919	1.14
				14/06/2019	-573259	Transfer	782660	0.66
				21/06/2019	-463332	Transfer	319328	0.27
				28/06/2019	-6647	Transfer	312681	0.26
				05/07/2019	-312681	Transfer	0	0
				31/03/2020				0
2	Nalanda India Equity Fund Ltd.	0	0.00	30/03/2019				0.00
				27/03/2020	3359826	Transfer	3359826	2.82
				31/03/2020			3359826	2.82
3	Kotak Standard Multicap Fund	0	0.00	30/03/2019				
				13/12/2019	1170106	Transfer	1170106	0.98
				20/12/2019	43426	Transfer	1213532	1.02
				17/01/2020	207849	Transfer	1421381	1.19
				24/01/2020	533209	Transfer	1954590	1.64
				07/02/2020	435000	Transfer	2389590	2.01
				14/02/2020	50000	Transfer	2439590	2.05
				28/02/2020	100000	Transfer	2539590	2.13

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares at the Beginning (01-04-2019)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				06/03/2020	300000	Transfer	2839590	2.38
				13/03/2020	43970	Transfer	2883560	2.42
				20/03/2020	190641	Transfer	3074201	2.58
				27/03/2020	65389	Transfer	3139590	2.63
				31/03/2020			3139590	2.63
4	Life Insurance Corporation of India	1768720	1.48	30/03/2019			1768720	1.48
				13/09/2019	79732	Transfer	1848452	1.55
				20/09/2019	168480	Transfer	2016932	1.69
				27/09/2019	40000	Transfer	2056932	1.73
				31/03/2020			2056932	1.73
5	SBI Blue Chip Fund	784717	0.66	30/03/2019			784717	0.66
				07/06/2019	201222	Transfer	985939	0.83
				14/06/2019	100511	Transfer	1086450	0.91
				21/06/2019	202807	Transfer	1289257	1.08
				12/07/2019	59758	Transfer	1349015	1.13
				19/07/2019	70485	Transfer	1419500	1.19
				31/03/2020			1419500	1.19
6	Goldman Sachs India Ltd.	1355268	1.14	30/03/2019			1355268	1.14
				26/07/2019	-282961	Transfer	1072307	0.90
				23/08/2019	-113585	Transfer	958722	0.80
				30/08/2019	-44346	Transfer	914376	0.77
				06/09/2019	-7490	Transfer	906886	0.76
				13/09/2019	-7274	Transfer	899612	0.75
				13/12/2019	-34325	Transfer	865287	0.73
				31/01/2020	-211925	Transfer	653362	0.55
				28/02/2020	-14225	Transfer	639137	0.54
				06/03/2020	-4370	Transfer	634767	0.53

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares at the Beginning (01-04-2019)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				13/03/2020	-16184	Transfer	618583	0.52
				20/03/2020	-33712	Transfer	584871	0.49
				27/03/2020	-584871	Transfer	0	0.00
				31/03/2020			0	0.00
7	Pinebridge Investments GF Mauritius Ltd.	1302198	1.09	30/03/2019			1302198	1.09
				29/06/2019	-1302198	Transfer		0.00
				31/03/2020				0.00
8	Kotak Emerging Equity Scheme	1016839	0.85	30/03/2019			1016839	0.85
				05/04/2019	100085	Transfer	1116924	0.94
				19/04/2019	10927	Transfer	1127851	0.95
				26/04/2019	26571	Transfer	1154422	0.97
				10/05/2019	10000	Transfer	1164422	0.98
				31/05/2019	35000	Transfer	1199422	1.01
				07/06/2019	38	Transfer	1199460	1.01
				12/07/2019	26069	Transfer	1225529	1.03
				06/09/2019	603	Transfer	1226132	1.03
				13/09/2019	10000	Transfer	1236132	1.04
				27/09/2019	4239	Transfer	1240371	1.04
				11/10/2019	17764	Transfer	1258135	1.06
				18/10/2019	20000	Transfer	1278135	1.07
				08/11/2019	20000	Transfer	1298135	1.09
				22/11/2019	108545	Transfer	1406680	1.18
				29/11/2019	34094	Transfer	1440774	1.21
				06/12/2019	33022	Transfer	1473796	1.24
				24/01/2020	112263	Transfer	1586059	1.33
				31/01/2020	50000	Transfer	1636059	1.37
				07/02/2020	100225	Transfer	1736284	1.46
				14/02/2020	61356	Transfer	1797640	1.51

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares at the Beginning (01-04-2019)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				28/02/2020	121901	Transfer	1919541	1.61
				06/03/2020	61342	Transfer	1980883	1.66
				13/03/2020	59727	Transfer	2040610	1.71
				20/03/2020	65000	Transfer	2105610	1.77
				27/03/2020	30688	Transfer	2136298	1.79
				31/03/2020			2136298	1.79
9	Reliance Capital Trustee Co Ltd.-A/C Nippon India S	588372	0.49	30/03/2019			588372	0.49
				05/04/2019	178100	Transfer	766472	0.64
				12/04/2019	333900	Transfer	1100372	0.92
				26/07/2019	-85000	Transfer	1015372	0.85
				31/03/2020			1015372	0.85
10	Kotak Funds-India Midcap Fund	967726	0.81	30/03/2019			967726	0.81
				12/04/2019	-607	Transfer	967119	0.81
				05/07/2019	202583	Transfer	1169702	0.98
				14/02/2020	-30568	Transfer	1139134	0.96
				31/03/2020			1139134	0.96
11	Reliance Capital Trustee Co Ltd. A/C Reliance Large	950000	0.81	30/03/2019			950000	0.80
				05/04/2019	178100	Transfer	1128100	0.95
				24/05/2019	29949	Transfer	1158049	0.97
				31/05/2019	-31345	Transfer	1126704	0.95
				14/06/2019	-252800	Transfer	873904	0.73
				12/07/2019	-21200	Transfer	852704	0.72
				16/08/2019	-99000	Transfer	753704	0.63
				23/08/2019	-52000	Transfer	701704	0.59
				30/08/2019	-8933	Transfer	692771	0.58
				13/09/2019	-51000	Transfer	641771	0.54
				20/09/2019	-155992	Transfer	485779	0.41

Sl. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding During the Year	
		No. of Shares at the Beginning (01-04-2019)	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
				25/10/2019	-56000	Transfer	429779	0.36
				15/11/2019	-8253	Transfer	421526	0.35
				22/11/2019	-71237	Transfer	350289	0.29
				06/12/2019	-114930	Transfer	235359	0.20
				13/12/2019	-235359	Transfer	0	0.00
				31/03/2020			0	0.00
12	SBI Magnum Midcap Fund	913973	0.77	30/03/2019			913973	0.77
				21/06/2019	200000	Transfer	1113973	0.93
				28/06/2019	47229	Transfer	1161202	0.97
				31/03/2020			1161202	0.97
13	Sundaram Mutual Fund A/C Sundaram Mid Cap Fund	882940	0.74	30/03/2019			882940	0.74
				10/05/2019	49469	Transfer	932409	0.78
				26/07/2019	-3963	Transfer	928446	0.78
				02/08/2019	-1037	Transfer	927409	0.78
				27/09/2019	5000	Transfer	932409	0.78
				31/03/2020			932409	0.78

Nalanda India Equity Fund Limited has become part of the top ten shareholder list as on March 31, 2020

Matthews Pacific Tiger Fund, Pinebridge Investments GF Mauritius Limited, Goldman Sachs India Limited, Reliance Capital Trustee Co Limited A/C Reliance Large have ceased to be in the list of top ten shareholders as on March 31, 2020.

V) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding During the Year (01-04-2019 to 31-03-2020)	
		No. of Shares at the Beginning 01-04-2019	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
A	**Director**							
1.	Pheroz Pudumjee	6000	0.00	31/03/2020	-	-	6000	0.00
B	**Key Managerial Personnel (KMP)**							
1.	Rajendran Arunachalam (Group CFO)	500	0.00	31/03/2020	-	-	500	0.00

The following Directors/ Key Managerial Personnel (KMP) did not hold any shares during FY 2019-20:
Meher Pudumjee, Dr. Valentin A. H. von Massow, Dr. Jairam Varadaraj, Nawshir Mirza, Harsh Mariwala, S. B. Pandit, Rajani Kesari – Directors
M. S. Unnikrishnan – Managing Director & Chief Executive Officer (KMP)
Kedar P. Phadke – Company Secretary (KMP)

VI) Indebtedness

Indebtedness of the company including interest outstanding/accrued but not due for payment

(Rs. in lakh)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the Financial Year (01.04.2019)				
i) Principal Amount	7863	7500	0	15363
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**7863**	**7500**	**0**	**15363**
Change in Indebtedness During the Financial Year				
Addition	0	0	0	0
Reduction	4725	3400	0	8125
Net Change	**(4725)**	**(3400)**	**0**	**(8125)**
Indebtedness at the End of the Financial Year (31.03.2020)				
i) Principal Amount	3138	4100	0	7238
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**3138**	**4100**	**0**	**7238**

vii) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration of M. S. Unnikrishnan Managing Director & Chief Executive Officer	Total Amount (Rs. Lakh)
1	**Gross salary**	
	a. Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	**361.21**
	b. Value of perquisites u/s 17(2) Income-tax Act,1961	**8.45**
	c. Profits in lieu of salary under section 17(3) Income-tax Act,1961	–
2	Stock Option	–
3	Sweat Equity	–
4	Commission - as % of profit – Others, specify - lumpsum	160.00
5	Others, please specify (Retiral Benefits)	29.95
	Total (A)	**559.61**
	Ceiling as per the Act	Rs. 1,514.75 Lakh (Being 5% of the Net Profit of the Company as per Section 198 of the Companies Act 2013)

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors						(Rs. Lakh)
1	**Independent Directors**	**Dr. Jairam Varadaraj**	**Dr. Valentin A. H. von Massow**	**Nawshir Mirza**	**Harsh Mariwala**	**S. B. Pandit**	**Rajani Kesari**	**Total**
	Fee for attending Board/Committee meetings	7.00	5.50	5.50	3.50	5.50	3.50	30.50
	Commission	20.00	36.59@	35.00	25.00	15.00	15.00	146.59
	Others, please specify	NA	NA	NA	NA	NA	NA	NA
	Total (1)	**27.00**	**42.09**	**40.50**	**28.50**	**20.50**	**18.50**	**177.09**
2	**Other Non-Executive Directors**	**Meher Pudumjee**	**Pheroz Pudumjee**					
	Fee for attending Board/ Committee meetings	6.00	7.50	-	-	-	-	13.50
	Commission	45.00	20.00	-	-	-	-	65.00
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	**51.00**	**27.50**	-	-	-	-	**78.50**
	Total (B) = (1+2)	**78.00**	**69.59**	**40.50**	**28.50**	**20.50**	**18.50**	**255.59**
	Total Remuneration to other Directors							
	Overall Ceiling as per the Act		Rs. 302.95 Lakh (Being 1% of Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)					
	Total Managerial Remuneration							**815.20**

@44,014 Euro (Rate applicable as on March 31, 2020 - Rs. 83.14 per Euro)

C. Remuneration to Key Managerial Personnel other than MD/Manager/Whole-Time Director

(Rs. in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	Chief Financial Officer (up to May 31, 2019)	Chief Financial Officer (w.e.f. June 1, 2019)	Total
		Kedar P Phadke	Amitabha Mukhopadhyay	Rajendran Arunachalam	
1	**Gross salary**				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	37.83	119.60	101.65	259.08
(b)	Value of perquisites u/s 17(2) of the Income-tax Act,1961	0.32	4.12	1.39	5.83
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act,1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- – as % of profit – Others, specify	-	-	-	-
5	Others, please specify (Retiral Benefits)	2.15	1.92	5.55	9.62
	Total	**40.30**	**125.64**	**108.59**	**274.53**

viii) Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD / NCLT / Court)	Appeal Made, if any (Give Details)
a) Company					
Penalty					
Punishment					
Compounding					
b) Directors					
Penalty					
Punishment			NIL		
Compounding					
c) Other Officers in Default					
Penalty					
Punishment					
Compounding					

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Thermax Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to note 41 of the accompanying standalone Ind AS financial statements which describes the management's evaluation of impact of uncertainties related to COVID-I9 and its consequential effects on the carrying value of its trade receivables, contract balances and inventories as at March 31, 2020 and the operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Revenue recognition for Engineering, Procurement and Constructions contracts *(refer note 21(c) of the standalone Ind AS financial statements)*	

The Company's significant portion of business is undertaken through Engineering, Procurement and Construction (EPC) contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue is accounted over a period of time (using input method) which requires identification of contractual obligations, significant judgement with regards to determining contract costs incurred to date compared to estimated total contract costs, the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Revenues and profits for the year under audit, may deviate significantly on account of change in such judgements and estimates.
Revenue from such contracts amounted to Rs. 2,590.29 crores (including Rs. 873.48 crores pertaining to discontinued operations).
	Our audit procedures included the following
	• We understood the Company's policies and processes, control mechanisms and methods in relation to the revenue recognition for these contracts and evaluated the design and operative effectiveness of the financial controls from the above through our test of control procedures.
	• We evaluated management's estimates and assumptions for a selected (risk-based method) sample contracts and inspected the underlying documents which form the basis of revenue recognition under the input method. We evaluated the management's process to recognize revenue over a period of time, total cost estimates, status of the projects and re-calculated the arithmetical accuracy of the same.
	• Amongst others, for a sample of contracts, we performed the following procedures:
	  • Provision for liquidated damages: Our procedures involved discussions with management and project teams to understand the status of the project and on-going discussions with the customers in terms of likelihood of imposing any contractual penalties and analyzed the above through inspection of the relevant documents and correspondences.
	  • Contingency provisions: We understood the management's estimate and rationale for provision movement during the year. We analyzed the movement throughout the life of the contract and discussed progress to date with individual project teams to determine whether the remaining contingency was sufficient to cover residual risks of those projects.
	  • Assessment of costs-to-complete: We performed procedures on balance cost estimation, tested the historical accuracy of previous forecasts and discussed variances with project teams. We tested

Key audit matters	How our audit addressed the key audit matter
	that the costs incurred were accrued at year end and also tested the assumptions for balance costs-to-complete. • We understood the management's assessment of the impact due to the lockdown and other restrictions caused by COVID-19 in relation to the above • We performed analytical procedures and checked exceptions for contracts with low or negative margins, loss making contracts/ onerous contracts, contracts with significant changes in cost estimates and significant overdue net receivable positions for contracts with marginal or no movement to determine the level of provisioning required. .• We read and tested the presentation and disclosure of such EPC contracts in the standalone Ind AS financial statements.
(b) Impairment of investment in subsidiaries *(Refer note 5, note 6 (a) and note 40 of the standalone Ind AS financial statements)*	
During the current year, impairment indicators were identified by the management on the investments of Rs 930.19 crores. Management's assessment for impairment of investments in subsidiaries requires estimation and judgement around assumptions used, including the recoverable value of underlying tangible assets. Furthermore, the value in use is highly sensitive to changes in some of the inputs used for forecasting the future cash flows. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting both potential impairment charges and also potential reversals of impairment taken in prior years. Accordingly, this is considered as a key audit matter.	Our audit procedures for investment balances included the following: • We understood the management's process of forecasting the future cash flows, evaluated the assumptions and compared the estimates to externally available industry, economic and financial data, wherever available and necessary; • We assessed that the methodology used by management to estimate the recoverable value of each investment is consistent with accounting standards; • We assessed the assumptions used by the management to determine the recoverable amount of the investment in subsidiaries; • We compared the carrying values of the Company's investment in these subsidiaries for which audited financial statements were available with their respective net asset values and discussed with management about their performance and future outlook; • We considered the potential impact of reasonably possible downside changes in these key assumptions as part of sensitivity analysis; • We read and assessed the presentation and disclosure of such impairment in the standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
c) Impairment of financial and contract assets: *(refer note 7 and note 9(b) of the standalone Ind AS Financial Statements)*	
Impairment of financial assets and contract assets is covered through Expected Credit Losses (ECL) method under Ind AS 109 and is expected to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. Impairment of financial assets is a key audit matter as the Company has devised a model to recognize impairment through ECL method using individual receivables or homogeneous group of receivables with similar credit risk characteristics. The calculation of the impairment allowance under expected credit losses is highly judgmental as it requires management to make significant assumptions on customer payment behaviour and other relevant risk characteristics when assessing the Company's statistics of historical information and estimating the level and timing of expected future cash flows. The timing of future cash flows may also vary to some extent due to COVID-19. As at the March 31, 2020, the Company recorded an impairment provision of Rs 286.68 crores for its receivables and unbilled revenue.	Our audit procedures included the following: • We evaluated the management's key data sources and assumptions used in the Expected Credit Loss (ECL) model to determine impairment provisions including any updates to such assumptions due to COVID 19; • We understood the management's basis to consider the associated risks for identifying homogeneous group of receivables; • We evaluated the process followed by the Company's for determination of credit risk and the resultant basis for classification of receivables into various stages; For a sample of receivables, we tested the ageing of the receivables considered for impairment calculation; • We assessed the completeness of financial assets included in the ECL calculations as of the reporting date; • We considered the consistency of various inputs and assumptions used by the Company's management to determine impairment provisions; • We assessed the adequacy of related disclosures in the notes to standalone Ind AS financial statements.

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report such as the management report and chairman's statement but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged With Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

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

   (d) In our opinion, the aforesaid standalone Ind AS 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 matter described in 'Emphasis of Matter' paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – refer note 32(A) to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – refer note 17(b) to the standalone Ind AS financial statements; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

per Tridevlal Khandelwal
Partner
Membership Number: 501160
UDIN: 20501160AAAABO4329

Place of Signature: Pune
Date: June 18, 2020

Annexure 1 as referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Thermax Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventories have been physically verified by the management during the year except for one factory, where physical verification of inventories was conducted subsequent to the year end due to the lockdown on account of COVID-19. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2020 and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of chemicals, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

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

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of custom, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Period to which amount related	Disputed dues, not deposited*^ (Rs. in crores)
Central Excise Act, 1944	Excise Duty	Supreme Court	FY 1997 - 98	- [net of deposit Rs 5.31]
		Appellate Tribunal**	FY 2000-01 to 2015-16	144.01 [net of deposit Rs 5.65]
Income Tax Act, 1961	Income Tax	High Court	AY 1993-94, AY 1996-97, AY 1997-98, AY 2004-05 and AY 2005-06	- [net of advance Rs 2.28]
		Appellate Tribunal	AY 2003-2004, AY 2005-06 and AY 2009-10	2.66
		Appellate Authority upto Commissioner Level	AY 2014-15, AY 2015-16 and AY 2016-17	19.33
Central Sales Tax and Local Sales tax	Sales tax and Value Added Tax	High Court**	FY 2000-01, 2001-02, 2010-11 to 2014-15	43.47 [net of deposit Rs 0.20]
		Appellate Tribunal**	FY 2003- 04, 2006- 07, 2008- 09, 2013- 14	0.08
		Appellate Authority upto Commissioner Level**	FY 2004 -05, 2006 - 07 to 2014 - 15	17.60 [net of deposit Rs 0.25]
Finance Act, 1994	Service Tax	Appellate Tribunal	FY 2012-13 to 2015-16	2.66 [net of deposit Rs 0.16]
Customs Act, 1962	Custom duty	Supreme Court	FY 2005-06	- [net of deposit Rs 0.56]
		Appellate Authority upto Commissioner Level	FY 2005-06	0.59 [net of deposit Rs 0.02]

*net of advances / deposits paid under protest

**excluding cases transferred to wholly owned subsidiary under slump sale. Also refer note 32 of the financial statements

^excluding the interest and penalty thereon

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/ further public offer/ debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Tridevlal Khandelwal
Partner
Membership Number: 501160
UDIN: 20501160AAAABO4329

Place of Signature: Pune
Date: June 18, 2020

Annexure 2 as referred to in paragraph 2(g) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Thermax Limited ("the Company") as of March 31, 2020, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Tridevlal Khandelwal
Partner
Membership Number: 501160
UDIN: 20501160AAAABO4329

Place of Signature: Pune
Date: June 18, 2020

Balance Sheet as at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Assets			
I. Non-current assets			
Property, plant and equipment	4 (a)	653.66	697.97
Capital work-in-progress	4 (a)	55.42	29.17
Right-of-use assets	4 (b)	79.28	-
Intangible assets	4 (c)	15.14	14.91
Investments in subsidiaries	5	653.37	657.55
Financial assets:			
(a) Investments	6 (a)	118.99	109.93
(b) Trade receivables	7 (a)	92.13	60.55
(c) Loans	8 (a)	232.50	12.09
(d) Other assets	9 (a)	0.05	0.05
Deferred tax assets (net)	10	40.38	49.35
Income tax assets (net)		84.17	48.70
Other assets	11 (a)	61.68	131.56
Total non-current assets		**2,086.77**	**1,811.83**
II. Current assets			
Inventories	12	255.01	230.44
Financial assets:			
(a) Investments	6 (b)	637.14	656.92
(b) Trade receivables	7 (b)	753.36	836.90
(c) Cash and cash equivalents	13 (a)	86.84	92.88
(d) Bank balances other than (c) above	13 (b)	141.64	25.88
(e) Loans	8 (b)	84.27	12.54
(f) Other assets	9 (b)	116.92	449.88
Income tax assets (net)		0.68	4.32
Other assets	11 (b)	247.21	308.59
Total current assets		**2,323.07**	**2,618.35**
III. Assets classified as held for disposal (transfer to group company)	29	-	1,708.67
Total Assets		**4,409.84**	**6,138.85**
Equity and liabilities			
IV. Equity			
Equity share capital	14	23.83	23.83
Other equity	15	2,713.66	2,712.02
Total equity		**2,737.49**	**2,735.85**
V. Non-current liabilities			
Financial liabilities:			
(a) Trade payables	16 (a)	45.58	31.78
(b) Other liabilities	17 (a)	7.15	1.11
Provisions	18 (a)	11.13	7.49
Other liabilities	19 (a)	8.43	18.22
Total non-current liabilities		**72.29**	**58.60**
VI. Current liabilities			
Financial liabilities:			
(a) Borrowings	20	72.38	40.00
(b) Trade payables	16 (b)		
Total outstanding dues of micro and small enterprises		108.78	69.05
Total outstanding dues of creditors other than micro and small enterprises		493.81	729.89
(c) Other liabilities	17 (b)	72.62	95.80
Other liabilities	19 (b)	754.05	749.50
Provisions	18 (b)	88.62	71.13
Income tax liabilities (net)		9.80	11.02
Total current liabilities		**1,600.06**	**1,766.39**
VII. Liabilities directly associated with assets classified as held for disposal (transfer to group company)	29	-	1,578.01
Total equity and liabilities		**4,409.84**	**6,138.85**
Summary of significant accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	3		
The accompanying notes are an integral part of these financial statements.			

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

Statement of profit and loss for the year ended March 31, 2020

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

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
A. Continuing operations			
Income			
Revenue from operations	21	3,215.08	3,541.10
Other income	22	104.40	122.80
Total Income (I)		**3,319.48**	**3,663.90**
Expenses			
Cost of raw materials and components consumed	23	1,760.38	2,111.73
Purchase of traded goods		99.53	111.18
(Increase) in inventories of finished goods, work-in-progress and traded goods	24	(12.80)	(16.89)
Employee benefits expense	25	430.94	393.34
Finance cost	26	5.23	5.26
Depreciation and amortisation expense	27	62.61	50.13
Other expenses	28 (a)	723.55	691.02
Total expenses (II)		**3,069.44**	**3,345.77**
Profit before exceptional items and tax (III) = (I-II)		**250.04**	**318.13**
Exceptional items (IV)	40	(14.89)	(47.85)
Profit before tax from continuing operations (V) = (III - IV)		**235.15**	**270.28**
Tax expense of continuing operations	10		
Current tax		61.51	106.15
Deferred tax		12.25	3.11
Total tax expense of continuing operations (VI)		**73.76**	**109.26**
Profit for the year from continuing operations (VII) = (V - VI)		**161.39**	**161.02**
B. Discontinued operations			
Profit before tax from discontinued operations (VIII)	29	90.49	173.22
Tax expense of discontinued operations	10		
Current tax		17.88	67.65
Deferred tax		20.01	(8.65)
Total tax expense of discontinued operations (IX)	**10**	**37.89**	**59.00**
Profit for the year from discontinued operations (X) = (VIII - IX)		**52.60**	**114.22**
Profit for the year from continuing and discontinued operations (VII + X)		**213.99**	**275.24**
Other comprehensive income (OCI)			
A. Items that will be reclassified subsequently to profit or loss	**31**		
Net loss on cash flow hedge		(3.56)	(32.24)
Less: Income tax effect		0.78	11.14
		(2.78)	(21.10)
B. Items that will not be reclassified subsequently to profit or loss	31		
Re-measurement gain/(loss) of defined benefit plan		(12.88)	0.44
Less: Income tax effect		2.50	(0.16)
		(10.38)	0.28
Net other comprehensive income for the year (net of tax)		**(13.16)**	**(20.82)**
Total comprehensive income for the year		**200.83**	**254.42**
Earning per equity share (Basic and Diluted) [Nominal value per share Rs. 2/- each (March 31, 2019: 2/-)]	30		
From continuing operations		13.54	13.51
From discontinued operations		4.41	9.59
From continuing and discontinued operations		17.95	23.10
Summary of significant accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	3		

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

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

Statement of Changes in Equity for the year ended March 31, 2020

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

A Equity Share Capital

Particulars	Notes No	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	14	23.83	23.83
Changes in equity shares capital during the year	14	-	-
Balance at the end of the year	14	**23.83**	**23.83**

B Other Equity

Particulars	Reserves and surplus						Other Reserves	Total Other equity
	General reserve	Capital reserve	Capital redemption reserve	Retained earnings	Securities premium	Total	Cash flow hedge reserve	
As at April 1, 2018	**429.14**	**1.92**	**50.34**	**1,975.29**	**61.13**	**2,517.82**	**23.91**	**2,541.73**
Profit for the year (including profit from discontinued operations)	-	-	-	275.24	-	**275.24**	-	**275.24**
Other Comprehensive Income (net)	-	-	-	0.28	-	**0.28**	(21.10)	**(20.82)**
Total comprehensive income	**-**	**-**	**-**	**275.52**	**-**	**275.52**	**(21.10)**	**254.42**
Dividends paid	-	-	-	(71.49)	-	**(71.49)**	-	**(71.49)**
Dividend distribution tax paid	-	-	-	(12.64)	-	**(12.64)**	-	**(12.64)**
As at March 31, 2019	**429.14**	**1.92**	**50.34**	**2,166.68**	**61.13**	**2,709.21**	**2.81**	**2,712.02**
Profit for the year (including profit from discontinued operations)	-	-	-	213.99	-	**213.99**	-	**213.99**
Other Comprehensive Income (net)	-	-	-	(10.38)	-	**(10.38)**	(2.78)	**(13.16)**
Total comprehensive income	**-**	**-**	**-**	**203.61**	**-**	**203.61**	**(2.78)**	**200.83**
Dividends paid	-	-	-	(166.82)	-	**(166.82)**	-	**(166.82)**
Dividend distribution tax paid	-	-	-	(32.37)	-	**(32.37)**	-	**(32.37)**
As at March 31, 2020	**429.14**	**1.92**	**50.34**	**2,171.10**	**61.13**	**2,713.63**	**0.03**	**2,713.66**

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

Cash flow statement for the year ended March 31, 2020

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

		Year Ended March 31, 2020	Year Ended March 31, 2019
A)	**Cash flows from operating activities**		
	Profit before tax (after exceptional item)		
	Continuing operations	235.15	270.28
	Discontinued operations	90.49	173.22
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation on Property, plant and equipment and right-of-use assets	59.43	52.05
	Amortization on intangible assets	9.79	11.43
	Provision for impairment allowance of financial assets (net)	(3.41)	31.97
	Provision for impairment of investment in subsidiaries and joint ventures	14.89	47.85
	Interest expense	4.58	3.76
	Unrealized foreign exchange (gain)	(8.60)	(4.31)
	Bad debts/ advances written off	37.45	9.65
	Unwinding of discount	3.08	4.59
	Interest income	(22.58)	(7.46)
	Dividend income	(14.83)	(12.00)
	Liabilities no longer required written back	(5.63)	(17.28)
	Loss on sale/ discard of assets (net)	1.55	0.67
	Fair value gain on financial instrument at fair value through profit and loss (net)	(39.13)	(71.97)
	Working capital adjustments		
	(Increase) in trade receivables	(114.47)	(166.29)
	Decrease/(Increase) in inventories	25.69	(169.52)
	Decrease/(Increase) in other financial assets	426.05	(630.41)
	Decrease/(Increase) in other assets	91.83	(47.97)
	(Decrease)/Increase in trade payables	(222.61)	350.84
	(Decrease)/Increase in other liabilities	(204.36)	248.11
	Increase/(Decrease) in provisions	20.56	(27.89)
	(Decrease)/Increase in other financial liabilities	(19.29)	6.32
	Cash generated from operations	**365.63**	**55.64**
	Direct taxes paid (net of refunds received)	(112.45)	(172.79)
	Net cash flow (used in)/ from operating activities	**253.18**	**(117.15)**
B)	**Cash flows from/(used in) investing activities**		
	(Purchase) of Property, plant and equipment, right-of-use assets and intangible assets	(89.29)	(125.14)
	Redemption/(Investment) in subsidiaries	2.91	(191.30)
	Loan given to subsidiaries	(297.12)	(6.00)
	Investment in fixed deposits	(113.07)	(28.39)
	Net Sale of other investments	32.60	592.98
	Interest and dividend received	30.71	12.19
	Consideration towards sale of B&H business (Net)	334.87	-
	Net cash flows (used in)/from investing activities	**(98.40)**	**254.34**

Cash flow statement for the year ended March 31, 2020

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

		Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
C)	**Cash flows (used in) financing activities**			
	(Repayment)/Proceeds from borrowings (net)		(33.84)	37.14
	Interest paid		(4.58)	(3.76)
	Dividend paid and tax thereon		(199.19)	(83.96)
	Payment of lease liability		(0.98)	-
	Net cash flows (used in) financing activities		**(238.59)**	**(50.58)**
	Net increase in cash and cash equivalents		**(83.81)**	**86.61**
	Cash and cash equivalents at the beginning of the year		167.24	80.63
	Cash and cash equivalents at the end of the year		**83.43**	**167.24**

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

	March 31, 2020	March 31, 2019
Cash and cash equivalents of continuing operations	86.84	92.88
Cash and cash equivalents of discontinued operations	-	96.55
Book overdraft of continuing operations	(3.41)	(22.19)
Cash and cash equivalents at the end of the year	**83.43**	**167.24**

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

1. Corporate information

Thermax Limited ('the Company') offers solutions to energy, environment and chemical sectors. The Company's portfolio includes boilers and heaters, absorption chillers/ heat pumps, power plants, solar equipment, air pollution control equipment/system, water and waste recycle plant, ion exchange resins and performance chemicals and related services.

The Company is a public limited company incorporated 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 authorized to issue these standalone financial statements on June 18, 2020. The CIN of the Company is L29299PN1980PLC022787.

2. Significant accounting policies

2.1. Basis of preparation and measurement

(a) Basis of preparation

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

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

The employee welfare trusts (including an ESOP trust) being separate legal entities, are not considered for the purpose of consolidation in the standalone financial statements. However, these trusts have been consolidated in the consolidated financial statements under Ind AS 110.

(b) Basis of measurement

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

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

2.2. Changes in accounting policies and disclosures

2.2.1 Ind AS 116 - Leases

The Company has adopted Ind AS 116 w.e.f. April 1, 2019. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Ind AS 116 was issued on March 30, 2019 and supersedes Ind AS 17 on Leases. Ind AS 116 introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use (ROU) asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

a. Impact of the new definition of a lease

The Company used the practical expedient available in the transition to Ind AS 116 so as not to reassess whether a contract is or contains a lease. Therefore, the lease definition set out in Ind AS 17 remained applicable to leases contracted or modified prior to April 1, 2019. The Company applied the lease definition and related guidance described in Ind AS 116 to all lease agreements entered or modified on or after April 1, 2019.

Notes to the standalone financial statements for the year ended March 31, 2020

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

b. Impact on Lessee Accounting

Former Operating Leases

Ind AS 116 changes how the Company accounts for leases previously classified as operating leases under Ind AS 17, which were off balance sheet.

Applying Ind AS 116, for all leases, the Company:

(a) Recognises right-of-use assets and lease liabilities in the standalone financial statements of financial position, initially measured at the present value of the future lease payments.

(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss.

(c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the standalone financial statements of cash flows.

Under Ind AS 116, right-of-use assets are tested for impairment in accordance with Ind AS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as laptop, printers, personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by Ind AS 116. This expense is presented within 'other expenses' in profit or loss.

c. Financial impact of the initial application of Ind AS 116

On transition to Ind AS 116, the Company has elected to adopt the modified retrospective approach. Consequently, the Company recorded the lease liability at the value of future lease payment and right of use of asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. Under this approach, there were no material adjustments required to the retained earnings at April 1, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and Lease Financial Liability of Rs. 85.34 and Rs. 8.10 respectively.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

2.2.2. Others

Several other amendments and interpretations apply for the first time in the year ended March 31, 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

2.3 Summary of significant accounting policies

a. Current and non-current classification

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

b. Foreign currencies

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

Transactions and balances

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

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

c. Fair value measurement

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

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

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

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

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

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

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

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

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

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

- Disclosures for significant judgements, estimates and assumptions (note 3)
- Quantitative disclosures of fair value measurement hierarchy (note 37)
- Financial instruments (including those carried at amortized cost) (note 37)

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

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

d. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognized in the Statement of profit and loss.

e. Property, Plant and Equipment

Property, plant and equipment (PPE) and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss, if any. All significant costs relating to the acquisition and installation of PPE are capitalised. Subsequent costs/replacement costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of profit and loss during the financial year in which they are incurred.

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

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

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

Asset category	Company's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Factory buildings	28 to 30	30
Other buildings	58	60
Plant and equipment	5 to 25	15 to 20
Roads	5 to 30	5 to 10
Office equipment	15	15
Furniture and fixtures	15	10
Computers and data processing units	4 to 6	3 to 6
Vehicles	7 to 10	8

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

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.

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

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

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

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 amortization and accumulated impairment losses, if any. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized 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. Amortization is recognized in the Statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

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

Asset category	Life (years)
Technical know how	3 to 6
Computer software	3 to 5

g. Inventories

Raw materials, components, stores and spares are valued at lower of cost and estimated net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Finished goods and work in progress are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

h. Revenue recognition

i. Revenue from Contracts with customers

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

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

The Company has following streams of revenue:

- **Revenue from Engineering, Procurement and Construction contracts**

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

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

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

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

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

(c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

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

The Company uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred.

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

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

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

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

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

- **Revenue from Sale of goods**

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

- **Revenue from Sale of services**

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

Contract balances

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

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Also refer note 2.3(i) below.

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

ii. Interest income

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

iii. Dividend

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iv. 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.

i. Financial instruments

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

Financial assets

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

i. Debt instruments at amortized cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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

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

ii. Debt instrument at FVTPL

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

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

iii. Equity investments

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

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

Derecognition

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

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

Impairment of financial assets

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

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

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

Financial liabilities

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

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

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part of EIR. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

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

Offsetting of financial instruments

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

j. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the Statement of profit and loss as finance costs. The Company has not undertaken Fair value hedges.

(ii) Cash flow hedges

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

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

k. Cash and cash equivalents

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

l. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in proportion to the depreciation charged over the expected useful life of the related asset. The Company accounts for export incentives for export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

m. Share capital

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

n. Income tax

Current tax

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

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

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

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

o. Borrowing costs

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

p. Leases

Company as a lessee

The Company lease asset classes primarily consist of leases for land, office buildings, guest house and other office equipment, etc. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The Right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Company as a lessor

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

q. Impairment of non-financial assets

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

Impairment losses including impairment on inventory are recognized in the Statement of profit or loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

r. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. Management must be committed to the sale/ distribution expected within one year from the date of classification.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or;
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of profit and loss.

s. Provisions

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

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

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

Provision for onerous contracts

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

Decommissioning liability

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

t. Retirement and other employee benefits

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

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Past service costs are recognized in the Statement of profit and loss on the earlier of:

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

u. Segment Reporting

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

Notes to the standalone financial statements for the year ended March 31, 2020

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

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

v. Contingent liability

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

w. Earnings Per Share (EPS)

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

x. Dividends

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

3. Significant accounting judgments, estimates and assumptions

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

3.1 Judgements

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

i. Revenue from contracts with customers

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

ii. Legal contingencies

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

iii. Segment reporting

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

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

iv. Non-current assets held for disposal and discontinued operations

As part of organisational restructuring, the Board of Directors of the Company at its meeting held on February 8, 2019, had approved the transfer of its Boiler & Heater (B&H) business to Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES) on a going concern basis through slump sale. This was also approved by the Shareholders on March 27, 2019. The B&H business was transferred to TBWES w.e.f. October 01, 2019. Accordingly, the results of B&H business have been classified as discontinued operations in the standalone financial results in accordance with Ind AS 105 upto the date of such transfer. The management considered the business to meet the criteria to be classified as held for distribution under Ind AS 105.

For more details on discontinued operations, refer note 29

3.2 Estimates and assumptions

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

Estimation of uncertainties relating to the global health pandemic from the Coronavirus disease (COVID-19) :

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets such as investments, loans, receivables, unbilled revenues and inventories. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

Notes to the standalone financial statements for the year ended March 31, 2020

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

i. **EPC contracts:**

- **Provisions for liquidated damages claims (LDs):** The Company provides for LD claims to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This requires an estimate of the amount of LDs payable under a claim which involves a number of management judgments and assumptions regarding the amounts to be recognized.
- **Project cost to complete estimates:** At each reporting date, the Company is required to estimate costs to complete on fixed-price contracts. Estimating costs to complete on such contracts requires the Company to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate will impact revenues, cost of sales, work-in-progress, billings in excess of costs, estimated earnings and accrued contract expenses.
- **Recognition of contract variations:** The Company recognises revenues and margins from contract variations where it is considered probable that they will be awarded by the customer and this requires management to assess the likelihood of such an award being made by reference to customer communications and other forms of documentary evidence.
- **Provision for onerous contracts:** The Company provides for future losses on 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. Refer note 19(b) for details for provision for onerous contracts.

ii. **Impairment of non-financial assets**

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

iii. **Defined benefit plans - gratuity**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter which is most subjected to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 34.

iv. **Fair value measurement of unquoted financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of assumption is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 37 for further disclosures.

v. Warranty provision

The Company generally offers warranty for its various products. Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of warranty costs. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives. Warranty provisions are discounted using a pre-tax discount rate which reflects current market assessments of time value of money and risks specific to the liability. Refer note 19 for further details.

vi. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and timing of cash flows. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions including those related to the COVID-19 pandemic as well as forward looking estimates at the end of each reporting period.

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

vii. Useful lives of property, plant and equipment and intangible assets

The Company determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates. Refer note 2.3(e) and 2.3(f) above for further details.

viii. Deferred taxes

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted. Refer note 10 for further information on potential tax benefits for which no deferred tax asset is recognized.

Notes to the standalone financial statements for the year ended March 31, 2020

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

4 (a) Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work in progress
Gross carrying amount as at April 1, 2018*	**7.36**	**36.59**	**394.13**	**562.68**	**32.14**	**46.52**	**34.58**	**11.58**	**1,125.58**	**92.33**
Additions	-	3.64	94.48	72.17	4.68	6.05	5.15	2.40	188.57	126.52
Disposals/ Transfers/ Adjustment	-	-	-	(4.69)	(0.48)	(2.12)	(1.96)	(1.31)	(10.56)	(188.57)
Reclassified as part of disposal group	-	-	(17.65)	(205.51)	(11.92)	(11.69)	(5.44)	(1.35)	(253.56)	(1.11)
Gross carrying amount as at March 31, 2019	**7.36**	**40.23**	**470.96**	**424.65**	**24.42**	**38.76**	**32.33**	**11.32**	**1,050.03**	**29.17**
Additions	-	-	11.40	21.32	1.23	6.89	2.23	4.83	47.90	74.15
Disposals/ Transfers/ Adjustments	-	(40.23)	(2.21)	(16.31)	(3.64)	(1.56)	(2.06)	(1.80)	(67.81)	(47.90)
Gross carrying amount as at March 31, 2020	**7.36**	-	**480.15**	**429.66**	**22.02**	**44.09**	**32.50**	**14.35**	**1,030.12**	**55.42**
Accumulated depreciation as at April 1, 2018*	-	**3.55**	**80.78**	**312.95**	**15.57**	**40.75**	**20.18**	**6.26**	**480.04**	
Charge for the year		0.62	13.79	32.37	1.91	1.78	0.89	0.69	52.05	
Disposals/ Transfers/ Adjustments	-	-	-	(3.47)	(0.41)	(2.15)	(1.68)	(1.26)	(8.97)	
Reclassified as part of disposal group	-	(0.01)	(2.36)	(148.77)	(5.37)	(10.33)	(3.77)	(0.45)	(171.06)	
Accumulated depreciation as at March 31, 2019	-	**4.16**	**92.21**	**193.08**	**11.70**	**30.05**	**15.62**	**5.24**	**352.06**	
Charge for the year^	-	-	16.29	26.84	1.48	3.26	1.93	1.50	51.30	
Disposals/ Transfers/ Adjustments	-	(4.16)	(1.25)	(13.89)	(2.96)	(1.46)	(1.72)	(1.46)	(26.90)	
Closing accumulated depreciation as at March 31, 2020	-	-	**107.25**	**206.03**	**10.22**	**31.85**	**15.83**	**5.29**	**376.46**	
Net Block as at March 31, 2020	**7.36**	-	**372.90**	**223.63**	**11.80**	**12.24**	**16.67**	**9.06**	**653.66**	**55.42**
Net Block as at March 31, 2019	**7.36**	**36.07**	**378.75**	**231.57**	**12.72**	**8.71**	**16.71**	**6.08**	**697.97**	**29.17**

Capital work in progress majorly includes expenditure towards extension of manufacturing facilities.
The Company has given certain part of its office building on lease to group companies, the value of the same cannot be determined and the amounts are not significant (Refer note 32 B (c) i).
^ Excludes Rs. 6.24 pertaining to discontinued operations

4 (b) Right-of-use assets

Particulars	Leasehold Land	Building	Total
Gross carrying amount as at April 1, 2018	-	-	-
Additions	-	-	-
Disposals/ Transfers/ Adjustment	-	-	-
Reclassified as part of disposal group	-	-	-
Gross carrying amount as at March 31, 2019	-	-	-
Additions	37.01	8.10	**45.11**
Disposals/ Transfers/ Adjustments	40.23	-	**40.23**
Gross carrying amount as at March 31, 2020	**77.24**	**8.10**	**85.34**
Accumulated depreciation as at April 1, 2018	-	-	-
Charge for the year	-	-	-
Disposals/ Transfers/ Adjustments	-	-	-
Reclassified as part of disposal group	-	-	-
Accumulated depreciation as at March 31, 2019	-	-	-
Charge for the year	0.92	0.98	**1.90**
Disposals/ Transfers/ Adjustments	4.16	-	**4.16**
Closing accumulated depreciation as at March 31, 2020	**5.08**	**0.98**	**6.06**
Net Block as at March 31, 2020	**72.16**	**7.12**	**79.28**
Net Block as at March 31, 2019	-	-	-

The Company has taken certain assets on lease which has been accounted in accordance with Ind AS 116-Leases under right of use assets. Refer note 32 (B)(c)for further disclosure on leases.

Notes to the standalone financial statements for the year ended March 31, 2020

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

4 (c) Intangible assets

Particulars	Computer Software	Technical know-how#	Total	Intangible assets under development
Gross carrying amount as at April 1, 2018*	**54.75**	**78.86**	**133.61**	**-**
Additions	1.48	-	1.48	1.48
Disposals/ Transfers/ Adjustments	(0.14)	-	(0.14)	(1.48)
Reclassified as part of disposal group	(12.09)	(2.30)	(14.39)	-
Gross carrying amount as at March 31, 2019	**44.00**	**76.56**	**120.56**	**-**
Additions	9.64	-	9.64	9.64
Disposals/ Transfers/ Adjustments	-	-	-	(9.64)
Gross carrying amount as at March 31, 2020	**53.64**	**76.56**	**130.20**	**-**
Accumulated amortisation as at April 1, 2018*	**48.17**	**59.50**	**107.67**	
Charge for the year	4.53	6.90	11.43	
Disposals/ Transfers/ Adjustments	(0.06)	-	(0.06)	
Reclassified as part of disposal group	(11.09)	(2.30)	(13.39)	
Accumulated amortisation as at March 31, 2019	**41.55**	**64.10**	**105.65**	
Charge for the year^	2.87	6.54	9.41	
Disposals/ Transfers/ Adjustments	-	-		
Closing accumulated amortisation as at March 31, 2020	**44.42**	**70.64**	**115.06**	
Net Block as at March 31, 2020	**9.22**	**5.92**	**15.14**	
Net Block as at March 31, 2019	**2.45**	**12.46**	**14.91**	

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

Includes internally developed assets of net block Rs. 3.17 (March 31, 2019 Rs 8.06)

^ Excludes Rs. 0.38 pertaining to discontinued operations

4(d) Capitalisation of expenses

During the year, the Company has capitalized the following expenses of revenue nature to the cost of Property, plant and equipment / intangible asset. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	March 31, 2020	March 31, 2019
Salaries and wages	0.10	1.56
Raw material and components	0.16	5.86
Others	0.74	1.98
Total	**1.00**	**9.40**

Notes to the standalone financial statements for the year ended March 31, 2020

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

5 Investments in subsidiaries

Particulars	Face value per share	Number of shares		Amount	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investments in equity instruments :					
Investments valued at cost (fully paid)					
Equity shares in subsidiaries (Unquoted)					
Thermax Engineering Construction Company Limited	Rs. 10	4,500,000	4,500,000	4.50	4.50
Thermax Instrumentation Limited	Rs. 10	9,000,000	9,000,000	6.06	6.06
Thermax Onsite Energy Solutions Limited	Rs. 10	18,650,000	18,650,000	18.65	18.65
Thermax Europe Limited	GBP 1	200,000	200,000	1.17	1.17
Thermax International Limited	USD 1	1,695,000	1,695,000	8.22	8.22
Thermax (Zhejiang) Cooling and Heating Engineering Co Ltd.	USD 1	15,470,000	14,470,000	47.51	40.42
Thermax Netherlands B.V.	Eur 1	27,900,000	22,500,000	192.35	148.69
Rifox-Hans Richter GmbH Spezialarmaturen	Eur 1	716,469	716,469	12.04	12.04
Thermax SDN. BHD	RM 1	500,002	500,002	0.87	0.87
Thermax Engineering Singapore Pte. Ltd.	USD 1	22,984,356	22,984,356	153.71	153.71
First Energy Private Limited	Rs. 10	10,234,437	10,234,437	20.94	20.94
Thermax Sustainable Energy Solutions Limited #	Rs. 10	4,750,000	4,750,000	-	-
Thermax do Brasil - Energia e Equipamentos Ltda. #	Real 1	1,087,130	1,087,130	-	-
Thermax Hong Kong Limited. #	HKD 1	5,983,833	5,983,833	-	-
Thermax Babcock & Wilcox Energy Solutions Private Limited	Rs. 10	628,222,500	628,222,500	374.31	374.31
Thermax Cooling Solutions Limited*	Rs. 10	20,000,000	20,000,000	10.20	10.20
Investments in preference shares :					
Investments valued at cost (fully paid)					
Preference shares in Subsidiaries (Unquoted)					
Thermax International Ltd., Mauritius (6% Redeemable with conversion option)	USD 1	1,747,300	1,747,300	7.87	7.87
Share Application money :					
Thermax Netherlands B.V.	Eur 1	-	5,400,000	-	43.66
Total value of investments (A)				**858.40**	**851.31**
Less: Impairment in value of investments					
Thermax (Zhejiang) Cooling and Heating Engineering Co Ltd. (refer note 40)				47.51	40.42
Thermax Netherlands B.V.				126.38	126.38
First Energy Private Limited (refer note 40)				20.94	16.76
Thermax Cooling Solutions Limited				10.20	10.20
Total Impairment in value of investments (B)				**205.03**	**193.76**
Investments in subsidiaries (net) (A-B)				**653.37**	**657.55**
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				858.40	851.31
Aggregate amount of impairment in the value of investments				205.03	193.76

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

* Formerly known as Thermax SPX Energy Technologies Limited

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

6 (a) Non-current Investments

Particulars	Face value per share/ unit	Number of shares / units		Amount	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investments in equity shares:					
Investments at Fair value through Profit and Loss					
Quoted equity shares (fully paid up)					
Metroglobal Limited	Rs. 10	2	2	**	**
Sanghvi Movers Limited	Rs. 2	16,453	16,453	0.08	0.18
Quoted equity shares (partly paid up)					
Parasrampuria Synthetics Limited (paid up Rs. 2.50 per share)	Rs. 10	125,000	125,000	**	**
Unquoted equity shares (fully paid up)					
Cosmos Co-operative Bank Limited	Rs. 20	-	1,375	-	**
GSL (India) Limited	Rs. 10	17,539	17,539	**	**
Sicom Limited #	Rs. 10	10,000	10,000	-	-
Total Investment in equity shares				**0.08**	**0.18**
Investment in preference shares					
Investments at Fair value through Profit and Loss					
Unquoted Preference Shares in subsidiaries (fully paid up, redeemable)					
Thermax Sustainable Energy Solutions Limited (6%, Cumulative) #	Rs. 10	4,000,000	4,000,000	-	-
First Energy Private Limited (8%, Cumulative, Redeemable)	Rs. 10	11,999,999	11,999,999	11.93	11.93
Thermax Babcock & Wilcox Energy Solutions Private Limited (8%, Cumulative, Redeemable)	Rs. 10	52,700,000	52,700,000	59.86	55.65
Total investment in preference shares				**71.79**	**67.58**
Investments in mutual funds					
Investments at Fair value through Profit and Loss					
Unquoted					
ABSL Fixed Term Plan - Series OY (1218 Days) Direct Growth	Rs. 10	20,000,000	20,000,000	23.85	21.88
SBI Debt Fund Series C – 7 (1190 Days) - Direct - Growth	Rs. 10	15,000,000	15,000,000	17.77	16.33
SBI Debt Fund Series C – 27 (1260 Days) - Direct - Growth	Rs. 10	15,000,000	15,000,000	17.43	15.89
Total investments in Mutual Funds				**59.05**	**54.10**
Total value of Investments (A)				**130.92**	**121.86**
Less: Impairment in value of investment (refer note 40)					
First Energy Private Limited				11.93	11.93
Total Impairment in value of investments (B)				**11.93**	**11.93**
Total Non-Current Investments (net) (A-B)				**118.99**	**109.93**
Aggregate amount of quoted investments (Book value)				0.08	0.18
Aggregate amount of quoted investments (Market value)				0.08	0.18
Aggregate amount of unquoted investments				130.84	121.68
Aggregate amount of impairment in the value of investments				11.93	11.93

** represents amount less than a lakh rupees

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

Investments at fair value through profit or loss reflect investment in unquoted equity and debt securities. Refer note 37 for determination of their fair values.

Notes to the standalone financial statements for the year ended March 31, 2020

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

6 (b) Current Investments

Particulars	Face value per share / unit	Number of units		Amount	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investment in preference shares					
Investments at Fair value through Profit and Loss					
Unquoted Preference Shares (fully paid up, redeemable)					
Thermax Instrumentation Limited (1%, Non cumulative)	Rs. 10	-	10,000,000	-	10.00
Total investment in preference shares				-	**10.00**
Investments in Mutual Funds :					
Investments at Fair value through Profit and Loss					
Liquid/ Liquid Plus and Duration funds (unquoted)					
Aditya Birla Sun Life Money Manager Fund Growth- Regular	Rs. 100	4,866,314	4,866,314	130.98	121.84
Aditya Birla Sun Life Money Market Fund-Growth-Direct Plan	Rs. 100	-	1,917,730	-	48.27
Axis Overnight Fund Direct Growth	Rs. 1,000	238,487	-	25.17	-
DSP Liquidity Fund- Direct Plan - Weekly Dividend	Rs. 1,000	-	50,028	-	5.01
DSP Overnight Fund - Direct - Growth	Rs. 1,000	234,053	-	25.01	-
DSP Overnight Fund - Regular - Growth	Rs. 1,000	531,025	-	56.68	-
HDFC FMP 1167D January 2016 (1) - Direct - Growth - Series - 35	Rs. 10	-	25,000,000	-	32.06
HDFC Liquid Fund - Direct Plan- Growth Option	Rs. 1,000	-	7,372	-	2.71
HDFC Liquid Fund - Direct Plan - Dividend Weekly	Rs. 1,000	-	439,685	-	45.41
HDFC Overnight Fund - Direct Plan - Growth Option	Rs. 1,000	97,110	-	28.83	-
HDFC Overnight Fund - Regular Plan - Growth	Rs. 1,000	33,846	-	10.00	-
ICICI Prudential Liquid Fund -Direct Plan- Growth	Rs. 100	-	156	-	**
ICICI Prudential Money Market Fund - Direct Plan- Growth	Rs. 100	-	1,654,693	-	43.05
ICICI Prudential Money Market Fund - Growth	Rs. 100	4,673,316	4,673,316	129.69	120.96
IDFC Overnight Fund Direct Plan-Growth	Rs. 1,000	93,844	-	10.00	-
IDFC Overnight Fund Regular Plan-Growth	Rs. 1,000	237,787	-	25.30	-
Kotak Liquid Direct Plan Weekly Dividend	Rs. 1,000	-	453,390	-	45.64
Kotak Money Market Scheme - Direct Plan- Growth	Rs. 1,000	-	67,988	-	20.98
Kotak Overnight Fund Direct - Growth	Rs. 1,000	65,684	-	7.00	-
Kotak Overnight Fund Growth (Regular Plan)	Rs. 1,000	394,371	-	42.01	-
L&T Liquid Fund - Direct Plan- Growth	Rs. 1,000	-	4	-	**
L&T Liquid Fund - Direct Plan -Weekly Dividend	Rs. 1,000	-	151,893	-	15.22
Nippon India Overnight Fund Direct Growth Plan	Rs. 100	752,587	-	8.07	-
Reliance Money Market Fund- Direct Growth Plan Growth Option	Rs. 1,000	-	23,805	-	6.76
SBI Overnight Fund Direct Growth	Rs. 1,000	30,748	-	10.00	-
SBI Magnum Ultra Short Duration Fund Direct Growth	Rs. 1,000	-	6,237	-	2.60
SBI Liquid Fund Direct Weekly Dividend	Rs. 1,000	-	145,549	-	15.45
UTI Liquid Cash Plan - Regular Growth Plan	Rs. 1,000	396,606	396,606	128.40	120.96
Total Investments in mutual funds				**637.14**	**646.92**
Total value of Investments				**637.14**	**656.92**
Aggregate amount of quoted investments and market value thereof				-	-
Aggregate amount of unquoted investments				637.14	656.92
Aggregate amount of impairment in the value of investments				-	-

** represents amount less than a lakh rupees

Investments at fair value through profit or loss reflect investment in unquoted equity and debt securities. Refer note 37 for determination of their fair values.

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

7 Trade receivables

(a) Non-current trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables from:		
i) Related parties (note 35)	-	-
ii) Others	92.13	60.55
Total	**92.13**	**60.55**
Sub-classification of trade receivables		
Secured, considered good	-	-
Unsecured, considered good	111.36	93.08
Trade Receivables which have a significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	111.36	**93.08**
Less: Impairment allowance	(19.23)	(32.53)
Total	**92.13**	**60.55**

(b) Current trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables from:		
i) Related parties (note 35)	69.48	45.87
ii) Others	683.88	791.03
Total	**753.36**	**836.90**
Sub-classification of trade receivables		
Secured, considered good	95.25	122.15
Unsecured, considered good	869.69	938.98
Trade receivables which has a significant increase in credit risk	19.04	3.13
Trade receivables - credit impaired	28.08	15.90
	1,012.06	**1,080.16**
Less: Impairment allowance	(258.70)	(243.26)
Total	**753.36**	**836.90**

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

Provision amounting to Rs. 19.04 (March 31, 2019 : Rs 3.13) is already taken in books for trade receivables which has a significant increase in credit risk.

For terms and conditions relating to related party receivables, refer note 35.

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

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

8 Loans

(a) Non-current loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
At amortized cost		
Loans to employees	2.80	2.93
Security deposits*	8.70	9.16
Loans to related parties (note 35)	221.00	-
Total	**232.50**	**12.09**

(b) Current loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
At amortized cost		
Loans to employees	1.13	1.68
Loans to related parties (note 35)	80.00	7.50
Security deposits*	3.14	3.36
Total	**84.27**	**12.54**

*Includes lease deposits given to directors of Rs. 0.18 (March 31, 2019 Rs. 0.53). The maximum amount due from directors during the year amounted to Rs. 0.18 (March 31, 2019 Rs. 0.53). This also includes deposits given to various other parties for rent, utilities etc. Refer note 35.

Loans are various kinds of non-derivative financial assets which generate fixed interest income for the Company. The tenure of such loans has different time range based on employee's eligibility.

No loans are due from directors or Key Managerial Personnel of the Company either severally or jointly with any other person or from private companies or firms in which any director is a partner, a director or a member respectively.

For terms and conditions relating to loans given to related parties, refer note 33(a).

9 Financial assets

(a) Other non current assets

	As at March 31, 2020	As at March 31, 2019
Bank deposits with maturity of more than 12 months	0.05	0.05
Total	**0.05**	**0.05**

Above bank deposits are pledged as margin money.

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

(b) **Other current assets**

	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	1.99	33.41
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	2.43	5.92
At amortized cost		
Export incentive receivable	24.48	26.38
Interest accrued on bank deposits and others*	7.78	1.08
Unbilled revenue (Contract assets)^	61.74	383.09
Others**	18.50	-
Total	**116.92**	**449.88**

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

* Includes Rs 6.14 (March 31, 2019: Rs. 0.17) pertaining to loan given to related parties (Refer note 35)

^ Unbilled revenue is disclosed net of impairment allowance of Rs. 8.75 (March 31, 2019: Rs. 10.12) for contract assets.

** Includes Rs. 14.05 (March 31, 2019: Nil) recoverable from group companies.

10 **Income taxes**

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:

Statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Current tax		
Continuing operations	61.51	106.15
Discontinued operations	17.88	67.65
Deferred tax		
Continuing operations	12.25	3.11
Discontinued operations	20.01	(8.65)
Income tax expense reported in the Statement of profit and loss	**111.65**	**168.26**

Notes to the standalone financial statements for the year ended March 31, 2020

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

Other comprehensive income

Particulars	March 31, 2020	March 31, 2019
Deferred tax related to items recognised in other comprehensive income during the year		
Net gain or loss on revaluation of cash flow hedge	(0.78)	(11.14)
Net gain or loss on remeasurements of defined benefit plans	(2.50)	0.16
Deferred tax credited in other comprehensive income	**(3.28)**	**(10.98)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

Particulars	March 31, 2020	March 31, 2019
Accounting profit before tax (before exceptional items) for continuing operations	250.04	318.13
Accounting profit before tax (before exceptional items) for discontinued operations	90.49	173.22
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17% (March 31, 2019: 34.944%)	85.71	171.70
- Dividend income	(3.73)	(4.19)
- Weighted deduction on research and development expenses	-	(2.44)
- Deferred Tax asset written down due to rate change*	36.35	-
- Others (includes adjustment for fair valuation of investments and other permanent differences)	(6.68)	3.19
Effective tax	111.65	168.26
Income tax expense reported in the Statement of profit and loss for continuing operations	**73.76**	**109.26**
Income tax expense reported in the Statement of profit and loss for discontinued operations	**37.89**	**59.00**
Total income tax expense reported in the Statement of profit and loss	**111.65**	**168.26**

Deferred tax

Statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Deferred tax relates to the following :		
Accelerated depreciation for tax purposes	(16.28)	8.70
Employee benefit obligations	0.76	(1.87)
Provision for doubtful debts and liquidated damages	30.22	(13.42)
Fair value gains on investment classified as fair value through profit and loss	3.20	(14.11)
Temporary differences in accounting treatment as required by Income tax standards	(0.01)	15.12
Items allowed on payment basis / temporary disallowances	(0.60)	(3.06)
Others	(5.04)	3.10
Deferred tax expense/ (income) in the Statement of profit and loss	**12.25**	**(5.54)**
Deferred tax expense reported in the Statement of profit and loss for continuing operations	**12.25**	**3.11**
Deferred tax expense/(income) reported in the Statement of profit and loss for discontinued operations	**20.01**	**(8.65)**

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

Balance sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(45.44)	(61.72)
Revaluation of cash flow hedges	(0.01)	(0.79)
Employee benefit obligations	13.02	11.28
Provision for doubtful debts and liquidated damages	76.59	106.81
Items allowed on payment basis / temporary disallowances	5.75	5.15
Fair value gains on investment classified as fair value through profit and loss	(14.40)	(11.20)
Temporary differences in accounting treatment as required by Income tax standards	2.01	2.00
Others (includes impact on account of temporary differences on accretion of interest on investments)	2.86	(2.18)
Net deferred tax assets	**40.38**	**49.35**

Reconciliation of deferred tax assets (net)

	March 31, 2020	March 31, 2019
Opening balance as at April 1	**49.35**	**104.17**
Tax income during the period recognised in profit or loss	(12.25)	5.54
Tax expense during the period recognised in other comprehensive income	3.28	10.98
Reclassified as a part of disposal group	-	(71.34)
Closing balance as at March 31	**40.38**	**49.35**

*The Company has computed the tax expense of the current financial period as per the tax regime announced under section 115BAA of the Income-tax Act, 1961. Accordingly, (a) the current and deferred tax expense for the year ended March 31, 2020, has been determined at the rate of 25.17% and (b) the deferred tax assets as at April 1, 2019, have been written down considering the enacted rate of 25.17%.

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

The Company has not recognised deferred tax asset on impairment losses.

During the year, the Company has paid dividends to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity.

11. Other assets

(a) Other non-current assets

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advance to suppliers	0.28	4.59
Capital advance	2.50	1.91
Advance to related parties (note 35)	0.72	1.00
Balances with government authorities	57.40	87.42
Prepayments	0.78	36.64
Total	**61.68**	**131.56**

Notes to the standalone financial statements for the year ended March 31, 2020

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

(b) **Other current assets**

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advance to suppliers	47.16	71.03
Advance to employees	3.58	4.67
Advance to related parties (note 35)	32.73	10.52
Prepayments	13.16	5.99
Balances with government authorities	140.19	199.89
Prepaid employee benefits (note 34)	3.52	7.30
Others*	6.87	9.19
Total	**247.21**	**308.59**

*Others includes interest on tax refunds, other recovery of expenses, etc

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

For terms and conditions relating to loans given to related parties, refer note 35.

12 **Inventories (Valued at lower of cost and net realizable value)**

	As at March 31, 2020	As at March 31, 2019
Raw materials, components and bought-outs**	126.18	115.37
Work-in-progress	90.65	87.00
Finished goods	26.94	17.42
Stores and spares	2.72	1.76
Traded goods	8.52	8.89
Total	**255.01**	**230.44**

**includes goods in transit Rs. 2.90 (March 31, 2019 Rs. 1.61)

For the year ended March 31, 2020 Rs. 2.77 (March 31, 2019 Rs. 5.10) was recognised (net of reversals) as an expense for inventories carried at net realisable value. These were recognised as expense during the year and included in cost of raw materials and components consumed in the Statement of profit and loss.

13 (a) **Cash and cash equivalents**

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- in current accounts	34.90	65.12
- in deposits with original maturity of less than three months*	51.10	24.75
Cheques, drafts on hand	0.48	2.69
Cash on hand	0.36	0.32
Total	**86.84**	**92.88**

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

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and previous periods.

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

13 (b) Other bank balances

	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity of more than 3 months but less than 12 months*	140.67	24.90
Unpaid dividend account (restricted)	0.97	0.98
Total	**141.64**	**25.88**

*Includes deposits placed with banks amounting to Rs. 10.85 (March 31, 2019: Nil) against grant received.

13 (c) Changes in liabilities arising from financing activities

Particulars	Borrowings	Unpaid dividend	Lease obligation
As on April 1, 2018	**116.49**	**0.81**	**-**
Cash flow	37.14	-	-
Reclassified as part of disposal group	(113.63)	-	-
Other	-	0.17	-
As on March 31, 2019	**40.00**	**0.98**	**-**
Cash flow	32.38	-	-
New leases	-	-	7.12
Other	-	(0.01)	-
As on March 31, 2020	**72.38**	**0.97**	**7.12**

14 Share capital

	As at March 31, 2020	As at March 31, 2019
Authorized shares (Nos)		
37,50,00,000 (March 31, 2019: 37,50,00,000) equity shares of Rs. 2/- each	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid share capital (Nos)		
11,91,56,300 (March 31, 2019: 11,91,56,300) equity shares of Rs. 2/- each	23.83	23.83
Total issued, subscribed and fully paid-up share capital	**23.83**	**23.83**

Notes to the standalone financial statements for the year ended March 31, 2020

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

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

	No. of shares	Rs.
Equity share of Rs. 2 each issued, subscribed and fully paid		
As at April 1, 2018	119,156,300	23.83
Changes during the year	-	-
As at March 31, 2019	119,156,300	23.83
Changes during the year	-	-
As at March 31, 2020	**119,156,300**	**23.83**

(b) Terms/ rights attached to equity shares

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

(c) Equity share capital held by holding company

	As at March 31, 2020	As at March 31, 2019
Holding company		
RDA Holding and Trading Private Limited, India	12.87	12.87
6,43,28,500 (March 31, 2019: 6,43,28,500) equity shares of Rs. 2/- each fully paid		

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

	As at March 31, 2020	As at March 31, 2019
RDA Holding and Trading Private Limited, India		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
ARA Trusteeship Company Private Limited, India		
%	7.99	7.99
No. of shares	9,520,805	9,520,805

(e) The Company has several trusts (73 nos) set up for welfare of employees and ESOP named Thermax Employee ESOP and Welfare Trust. Such trusts together hold 65,41,440 (March 31, 2019: 65,41,440) equity shares representing 5.49% (March 31, 2019: 5.49%) of equity share in the Company.

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

15 (a) Other equity

	As at March 31, 2020	As at March 31, 2019
Reserves and surplus		
Capital redemption reserve	50.34	50.34
Securities premium	61.13	61.13
Capital reserve	1.92	1.92
General reserve	429.14	429.14
Retained earnings		
Opening balance	2,166.68	1,975.29
Add: Profit for the year (including discontinued operations)	213.99	275.24
Less: Final Dividend paid	(83.41)	(71.49)
Less: Tax on final dividend	(15.22)	(12.64)
Less: Interim Dividend paid	(83.41)	-
Less: Tax on interim dividend	(17.15)	-
Movement during the year	14.80	191.11
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement (loss)/gain on defined benefit plans, net of tax Rs.2.50 (March 31, 2019 Rs. 0.16)	(10.38)	0.28
Net surplus in the Statement of profit and loss	**2,171.10**	**2,166.68**
Total Reserves and Surplus	**2,713.63**	**2,709.21**
Other Reserves		
Cash flow hedge reserve		
Opening balance	2.81	23.91
Add: Movement during the year (net)	(3.56)	(32.24)
Less: Tax on Movement during the year	0.78	11.14
Closing balance	**0.03**	**2.81**
Total	**2,713.66**	**2,712.02**

Capital redemption reserve

Pertains to reserve created towards redemption of debentures and can be utilised in accordance with the provisions of the Act.

Securities premium

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

Capital reserve

Pertains to reserves arising on amalgamations in the past which is required to be maintained as per statute and cannot be distributed to the shareholders.

Notes to the standalone financial statements for the year ended March 31, 2020

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

General reserve

Represents amounts transferred from retained earning in earlier years as per the requirements of the erstwhile Companies Act 1956.

Cash flow hedge reserve

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

15 (b) Distribution made and proposed

	March 31, 2020	March 31, 2019
Cash dividend on equity shares declared and paid:		
Final dividend for the year 2018-19: Rs. 7 per share (2017-18: Rs. 6 per share)	83.41	71.49
Dividend Distribution Tax on the above	15.22	12.64
Interim dividend for the year 2019-20: Rs. 7 per share	83.41	-
Dividend Distribution Tax on the above	17.15	-
	199.19	**84.13**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at the reporting date.

Proposed dividend on equity shares:		
Proposed dividend for the year 2018-19: Rs. 7 per share	-	83.41
Dividend Distribution Tax on the above	-	17.15
Total	**-**	**100.56**

The Company has taken a set off of Rs. 1.93 (March 31, 2019 Rs 2.05) for Dividend Distribution Tax paid by one of the subsidiary of the Company.

16 Trade payables

(a) Non current trade payables

	As at March 31, 2020	As at March 31, 2019
Trade payables :		
i) Related parties (note 35)	11.06	7.33
ii) Others	34.52	24.45
Total	**45.58**	**31.78**

There are no non-current outstanding dues of micro and small enterprises.

(b) Current trade payables

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro and small enterprises (note 16 (c))	108.78	69.05
Total outstanding dues of creditors other than micro and small enterprises		
i) Related parties (note 35)	55.33	20.43
ii) Others	438.48	709.46
Total	**602.59**	**798.94**

For terms and conditions with related parties, refer note 35.
Trade payables are non-interest bearing and are generally on terms of 30 to 90 days.

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

(c) Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount outstanding (whether due or not) to micro and small enterprises*	108.52	68.93
- Interest due thereon	0.26	0.12
The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	0.21	0.19
The amount of payment made to the supplier beyond the appointed day during the year	70.55	59.50
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0.55	0.45
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.81	0.57
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	0.38	0.02

* Excludes payable related to discontinued operations Rs. 100.01 as at March 31, 2019

17 Financial liabilities

(a) Other non current liabilities

	As at March 31, 2020	As at March 31, 2019
Trade deposits	1.11	1.11
Lease obligation	6.04	-
Total	**7.15**	**1.11**

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	12.89	21.21
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	6.76	0.85
At amortized cost		
Current maturities of lease obligation	1.08	-
Employee related payables	38.49	38.39
Payables for PPE and intangible assets	5.81	9.39
Book overdraft	3.41	22.19
Unpaid dividend	0.97	0.98
Other payables *	3.21	2.79
Total	**72.62**	**95.80**

* includes dealer deposits, security deposits, etc.

18 Provisions

(a) Non-current provisions

	As at March 31, 2020	As at March 31, 2019
Provision for warranties	3.90	1.04
Provision for decommissioning liability	7.23	6.45
Total	**11.13**	**7.49**

(b) Current provisions

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for leave encashment	40.37	35.85
	40.37	**35.85**
Other provisions		
Provision for onerous contracts	12.65	2.58
Provision for warranties	35.60	32.70
	48.25	**35.28**
Total	**88.62**	**71.13**

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

Provision for decommissioning liability

A provision has been recognised for decommissioning costs associated with the property taken on lease by the Company. The Company is committed to restore the site as a result of the conclusion of manufacturing activities. The timing of cash outflows in respect of such provision cannot be reasonably determined.

Provision for warranties

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of such costs. It is expected that this expenditure will be incurred over the contracted warranty period ranging up to 2 years. If warranty claim costs vary by 10% from management's estimate, the warranty provisions would be an estimated Rs. 3.95 higher or lower (March 31, 2019 Rs. 3.37)

Provision for onerous contracts

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

Movement in provisions

	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
As at April 1, 2019			
Balance at the beginning	2.58	33.74	6.45
Additional provision recognised	10.90	24.02	-
Unused amounts reversed	-	(15.04)	-
Unwinding of discount	-	2.30	0.78
Utilised during the year	(0.83)	(5.52)	-
As at March 31, 2020	**12.65**	**39.50**	**7.23**
Details of provisions :			
Current	12.65	35.60	-
Non-Current	-	3.90	7.23
Total	**12.65**	**39.50**	**7.23**

Notes to the standalone financial statements for the year ended March 31, 2020

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

19 Other liabilities

(a) Other non-current liabilities

	As at March 31, 2020	As at March 31, 2019
Customer advances (Contract liability)	8.43	18.22
Total	**8.43**	**18.22**

(b) Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Unearned revenue (Contract liability)	271.75	188.89
Customer advances (Contract liability)		
(i) Related Parties (note 35)	2.95	3.79
(ii) Others	461.28	546.87
Statutory dues and other liabilities*	18.07	9.95
Total	**754.05**	**749.50**

* mainly includes tax deducted at source, GST, provident fund, ESIC, government grant received for a research project etc.

For terms and conditions with related parties, refer note 35.

20 Borrowings

Current borrowings

	As at March 31, 2020	As at March 31, 2019
Secured loans from banks	31.38	40.00
Unsecured loans from banks	41.00	-
Total	**72.38**	**40.00**

Secured loans pertains to bills discounted by suppliers amounting to Rs. 31.38 (March 31, 2019: Rs. 40) that are payable by the Company within 60 to 190 days from the invoice date.

These loans are secured by hypothecation of present and future stock of all inventories, stores and spares not related to plant and machinery, book debts and other moveable assets.

Unsecured loans pertains to packing credit of Rs. 41 (March 31, 2019: Rs. Nil) carries an interest rate of 4.5% to 4.65% due for repayment within 90-149 days from date of disbursement or expected shipment date whichever is earlier.

21 Revenue from operations

(a) Revenue from contracts with customers

	March 31, 2020	March 31, 2019
Revenue from projects and products	2,810.22	3,164.95
Revenue from services	387.01	323.47
Total revenue from contracts with customers	**3,197.23**	**3,488.42**

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

(b) **Other operating revenue**

	March 31, 2020	March 31, 2019
Export incentives	23.96	35.69
Sale of Scrap	8.26	9.45
Commission income	2.46	3.17
Exchange fluctuation gain/(loss) (net)*	(19.66)	1.52
Royalty income	2.83	2.85
	17.85	**52.68**

* Includes mark to market loss on forward contracts not subjected to hedge accounting Rs.4.34 (March 31, 2019: gain Rs. 5.07)

Total revenue from operations	**3,215.08**	**3,541.10**

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

i) Revenue by category of contracts:

	March 31, 2020	March 31, 2019
Over a period of time basis	1,716.81	1,990.01
At a point-in-time basis	1,480.42	1,498.41
Total revenue from contracts with customers	**3,197.23**	**3,488.42**

Revenue by geographical market:

	March 31, 2020	March 31, 2019
Within India	2,438.23	2,427.05
Outside India	759.00	1,061.37
Total revenue from contracts with customers	**3,197.23**	**3,488.42**

Revenue by segment :

	March 31, 2020			
	Energy	Environment	Chemical	Total
Revenue from contracts with customers				
External Revenue	2,142.57	717.12	392.71	3,252.39
Inter segment	3.93	46.25	4.99	55.16
Total revenue from contracts with customers	**2,138.64**	**670.86**	**387.72**	**3,197.23**
Other operating income	8.51	4.86	4.48	17.85
Total revenue from operations	**2,147.15**	**675.72**	**392.21**	**3,215.08**

Notes to the standalone financial statements for the year ended March 31, 2020

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

	March 31, 2019			
	Energy	Environment	Chemical	Total
Revenue from contracts with customers				
External Revenue	2,354.46	824.37	378.78	3,557.61
Inter segment	0.54	62.86	5.79	69.19
Total revenue from contracts with customers	**2,353.92**	**761.51**	**372.99**	**3,488.42**
Other operating income	43.92	3.93	4.83	52.68
Total revenue from operations	**2,397.84**	**765.44**	**377.82**	**3,541.10**

ii) Contract balances:

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

	March 31, 2020	March 31, 2019
Trade receivables (note 7)	845.49	897.45
Unbilled revenue (Contract asset) (note 9(b))	61.74	383.09
Unearned revenue (Contract liability) (note 19(b))	271.75	188.89
Customer advances (Contract liability) (note 19)	472.66	568.88

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

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

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

	March 31, 2020	March 31, 2019
Unearned revenue^	106.12	118.99
Customer advance#	315.91	238.04

^Excludes Rs 25.51 pertaining to discontinued operations for the period ended March 31, 2019

Excludes Rs 386.74 pertaining to discontinued operations for the period ended March 31, 2019

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

The explanation of the significant changes in the unbilled and unearned balances during the reporting period is presented in the table below

	March 31, 2020		March 31, 2019	
Opening unbilled revenue (refer note 9(b))	**383.09**		**461.85**	
Opening unearned revenue (refer note 19(b))	**188.89**	**194.20**	**234.84**	**227.01**
- Transfer of contract assets to receivable from opening unbilled revenue	(374.72)		(409.53)	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	106.12		144.50	
- Transfer of contract assets to receivables	(1,747.69)		(2,592.47)	
- Increase in revenue as a result of changes in the measure of progress	1,610.69		3,427.24	
- Others*	1.39		(19.87)	
- Reclassified as part of disposal group	-	(404.21)	(582.68)	(32.81)
Closing unbilled revenue (refer note 9(b))	**61.74**		**383.09**	
Closing unearned revenue (refer note 19(b))	**271.75**	**(210.01)**	**188.89**	**194.20**

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

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

v) Performance obligations

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

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

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

Remaining performance obligations:

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

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

	March 31, 2020	March 31, 2019
Amount of revenue yet to be recognised for contracts in progress	2,046.56	1,573.87

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

vi) Reconciliation between revenue recognised in Statement of profit and loss and contract price

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

22 Other income

	March 31, 2020	March 31, 2019
Interest income from financial assets carried at amortized cost		
Loan to subsidiary	13.53	0.34
Bank deposits	4.84	0.93
Interest income from financial assets at fair value through profit and loss		
Loan to subsidiary (preference shares)	4.21	6.19
Other interest income	5.95	8.10
Dividend income from investments designated at fair value through profit and loss	5.50	2.00
Dividend income from equity investments carried at cost	9.33	10.00
Fair value gain on financial instrument at fair value through profit and loss (net)	39.13	71.97
Liabilities no longer required written back	5.84	7.86
Miscellaneous income^^	16.07	15.41
Total	**104.40**	**122.80**

^^Includes rent income of Rs 3.01 (March 31, 2019; Rs 0.76); refer note 32 B (c)(i)

Notes to the standalone financial statements for the year ended March 31, 2020

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

23 Cost of raw material and components consumed

	March 31, 2020	March 31, 2019
Inventories at the beginning of the year	115.37	92.02
Add: Purchases	1,771.35	2,140.94
	1,886.72	**2,232.96**
Inventories at the end of the year	(126.18)	(115.37)
	1,760.54	**2,117.59**
Less: capitalised during the year (refer note 4 (d))	(0.16)	(5.86)
Total	**1,760.38**	**2,111.73**

24 (Increase) in inventories of finished goods, work-in-progress and traded goods

	March 31, 2020	March 31, 2019
Inventories at the beginning of the year		
Work-in-progress	87.00	64.01
Finished goods	17.42	22.45
Traded goods	8.89	9.96
	113.31	**96.42**
Less: inventories at the end of the year		
Work-in-progress	90.65	87.00
Finished goods	26.94	17.42
Traded goods	8.52	8.89
	126.11	**113.31**
Total	**(12.80)**	**(16.89)**

25 Employee benefits expense

	March 31, 2020	March 31, 2019
Salaries and wages	373.66	342.45
Contribution to provident and other funds	26.55	24.74
Gratuity expense (note 34)	6.61	4.82
Staff welfare expenses	24.22	22.89
	431.04	**394.90**
Less: capitalised during the year (refer note 4 (d))	(0.10)	(1.56)
Total	**430.94**	**393.34**

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

26 Finance costs

	March 31, 2020	March 31, 2019
Interest expense	2.15	3.73
Unwinding of discount	3.08	1.53
Total	**5.23**	**5.26**

27 Depreciation and amortization expense

	March 31, 2020	March 31, 2019
Depreciation of property, plant and equipment (note 4 (a))	51.30	52.05
Depreciation of right-of-use assets (note 4 (b))	1.90	-
Amortization of intangible assets (note 4 (c))	9.41	11.43
Less: expense related to discontinued operations	-	(13.35)
Total	**62.61**	**50.13**

28 (a) Other expenses

	March 31, 2020	March 31, 2019
Consumption of stores and spare parts	42.94	46.17
Power and fuel	30.40	32.42
Freight and forwarding charges (net)	56.55	60.59
Site expenses and contract labour charges	306.87	284.89
Drawing, design and technical service charges	9.50	9.19
Sales commission	14.60	18.15
Advertisement and sales promotion	11.21	4.98
Rent (note 32 B (ii))	10.42	11.70
Rates and taxes	12.13	5.97
Insurance	4.53	3.91
Repairs and maintenance:		
Plant and machinery	16.99	13.95
Buildings	3.90	4.93
Others	27.39	22.12
Travelling and conveyance	52.17	55.79
Legal and professional fees (includes payment to auditor; refer note 28 (b))	55.38	45.85
Director sitting fees	0.44	0.50
Bad debts/ advances written off	16.21	8.23
Provision for impairment allowance of financial assets (net)	0.77	27.08
Warranty expenses (net)	18.89	11.02
Loss on sale/ discard of assets (net)	1.56	1.03
CSR expenditure (note 28 (c))	7.47	7.60
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	23.97	16.93
	724.29	693.00
Less: capitalised during the year (refer note 4 (d))	(0.74)	(1.98)
Total	**723.55**	**691.02**

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

(b) **Payment to auditors**

	March 31, 2020	March 31, 2019
As auditor		
Audit and limited review fee	1.26	1.33
In other capacity		
Taxation matters	-	-
Other services	0.14	0.12
Reimbursement of expenses	0.07	0.08
Total	**1.47**	**1.53**

(c) **Corporate Social Responsibility (CSR)**

	March 31, 2020	March 31, 2019
Gross amount required to be spent by the Company during the year	7.46	7.48
Total	**7.46**	**7.48**

Amount spent during the year

	In Cash	Yet to spent in cash	Total
During the year ended March 31, 2020			
a. Construction/ acquisition of any asset	-	-	-
b. On purposes other than (a) above^	7.47	-	7.47
	7.47	**-**	**7.47**
During the year ended March 31, 2019			
a. Construction/ acquisition of any asset	-	-	-
b. On purposes other than (a) above^	7.60	-	7.60
	7.60	**-**	**7.60**

^The amount is contributed to Thermax Foundation, India . Refer note 35.

29 **Discontinued Operation**

As part of organisational restructuring the Board of Directors and Shareholders of the Company, approved the transfer of Boiler & Heater (B&H) business of Thermax Limited to Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES), a wholly owned subsidiary on a going concern basis through slump sale. The B&H business was transferred to TBWES w.e.f. October 01, 2019. Accordingly, the results of B&H business were classified as discontinued operations in the standalone financial statements in accordance with Ind AS 105 upto the date of such transfer. The financial parameters in respect of discontinued operations are stated below:

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

a) **Financial performance and cash flow information**

	September 30, 2019^	March 31, 2019
Revenue including other income (excluding sales made to continuing operations Rs. 139.88 (March 31, 2019 Rs. 312.46)	949.56	1,648.00
Expenses*	859.07	1,474.78
Profit before income tax	**90.49**	**173.22**
Income Tax	37.89	59.00
Profit after income tax	**52.60**	**114.22**
Other comprehensive income	(2.44)	(7.57)
Total comprehensive income	**50.16**	**106.65**
Net cash flow from operating activities	(60.50)	72.37
Net cash flow from investing activities	(1.53)	(12.90)
Net cash flow from financing activities	(68.65)	38.64
Net cash generated from discontinued operation	**(130.68)**	**98.11**

^ Upto the date of slump sale

* The Company had continued to charge depreciation on asset held as part of disposal, as these were proposed to be transferred to wholly owned subsidiary.

b) **The carrying amount of assets and liabilities are as follows:**

	As at March 31, 2019
Assets	
Property, plant and equipment	82.50
Capital work-in-progress	1.11
Intangible assets	1.00
Trade receivables	420.89
Loans	3.61
Inventories	237.38
Cash and bank balances*	100.06
Other financial assets	667.35
Other assets	123.43
Deferred Tax	71.34
Total assets	**1,708.67**
Liabilities	
Borrowings	113.63
Trade payables	464.18
Provisions	56.11
Other financial liabilities	26.68
Other liabilities	917.41
Total liabilities	**1,578.01**
Net Assets/ (liabilities)	**130.66**

*Includes balances with restricted usage Rs. 26.53 as at March 31, 2019

Refer note 32 A(e) for contingent liabilities pertaining to discontinued operations

Notes to the standalone financial statements for the year ended March 31, 2020

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

30 Earnings per share

	March 31, 2020	March 31, 2019
Net profit after tax attributable to the Equity shareholders		
Continuing Operations	161.39	161.02
Discontinued Operations	52.60	114.22
Total	**213.99**	**275.24**
Weighted average number of Equity shares of Rs.2/- each	**119,156,300**	**119,156,300**
Basic and diluted Earning per share (Rs.)		
Continuing Operations	13.54	13.51
Discontinued Operations	4.41	9.59
Total	**17.95**	**23.10**

31 Components of Other Comprehensive Income (OCI)

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

For the year ended March 31, 2020

	Cash flow hedge reserve	Retained Earnings	Total
Foreign exchange forward contracts	(4.39)	-	(4.39)
Reclassified to Statement of profit or loss (Net)	1.61	-	1.61
Re-measurement gains on defined benefit plans	-	(10.38)	(10.38)
Total	**(2.78)**	**(10.38)**	**(13.16)**

For the year ended March 31, 2019

	Cash flow hedge reserve	Retained Earnings	Total
Foreign exchange forward contracts	(40.05)	-	(40.05)
Reclassified to Statement of profit or loss (Net)	18.95	-	18.95
Re-measurement gains on defined benefit plans	-	0.28	0.28
Total	**(21.10)**	**0.28**	**(20.82)**

32 Contingent liabilities and commitments

A Contingent liabilities

a) Taxes*

	March 31, 2020	March 31, 2019
Excise, Customs Duty and Service tax	158.97	1,402.68
Sales tax	61.38	63.59
Income tax demands disputed in appellate proceedings	24.36	104.05
References/appeals preferred by the Income tax department in respect of which, should the ultimate decision be unfavourable to the Company	9.87	41.19
Others	0.10	0.10

* Excluding of interest and penalty thereon

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

b) **Guarantees on behalf of subsidiaries**

	March 31, 2020	March 31, 2019
Counter corporate guarantees issued to banks (Also refer note 33)	418.48	39.29
Indemnity bonds, letter of support/comfort and corporate guarantees (Also refer note 33)	2074.39	253.86

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

c) **Others**

	March 31, 2020	March 31, 2019
Liability for export obligations	6.60	78.82
Claims against the Company not acknowledged as debt	3.33	3.02

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.

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

e) There are certain cases that are not a part of contingent liability disclosed above, which pertains to the discontinued operation. Such cases have been transferred along with the discontinued operation as per indemnification agreement.

	March 31, 2020
Excise, Customs Duty and Service tax	1,245.67
Sales tax	3.37
Liability for export obligations	65.29

B Capital and other commitments

a) Liability in respect of partly paid shares Rs. 0.09 (March 31, 2019 Rs.0.09)

` b) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 26.84 (March 31, 2019 Rs. 18.64). This excludes Rs 2.00 pertaining to discontinued operations as on March 31, 2019

c) **Lease commitments**

i. **Operating lease: Company as lessor**

The Company has leased certain parts of its surplus office and buildings. The tenure of such lease agreements ranges from 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. For nature of assets refer note 4(a)

	March 31, 2020	March 31, 2019
Lease received for the year *	3.01	0.76

* Lease received excludes Rs.0.20 (March 31, 2019: 1.49) pertaining to discontinued operations

Notes to the standalone financial statements for the year ended March 31, 2020

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

ii. **Where the Company is lessee**

The Company has taken land, office buildings, factory sheds, guest house, warehouse, vehicles, printers and other office equipments on lease for a tenure of 1 to 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are no variable lease payments and residual value guarantees for these leases. The leases are renewable on mutually agreeable terms. At the expiry of the lease term, either party has an option to terminate the agreement or extend the term by giving notice in writing. The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Refer note 2.2 in significant accounting policies relating to adoption of Ind AS 116

Carrying amounts of lease liabilities and the movements during the year.

	March 31, 2020
As at 1 April, 2019	8.10
Additions	-
Accretion of interest	-
Payments made	0.98
As at 31 March 2020	**7.12**
Current portion	1.08
Non-current portion	6.04
Total*	**7.12**

* Pertains to offices taken on lease

Details of amounts recognised in statement of profit and loss

	March 31, 2020
Depreciation expense of right-of-use assets	1.90
Interest expense on lease liabilities	-
Expense relating to short-term leases (included in other expenses and staff welfare expenses)	12.58
Expense relating to leases of low-value assets (included in other expenses)	0.97
Total amount recognised in statement of profit or loss*	**15.45**

* Excludes Rs. 8.53 pertaining to discontinued operations

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

iii. Details of lease payments where Company is lessee (disclosure pursuant to erstwhile Ind AS 17):

(a) Amounts payable under Operating lease

	March 31, 2019
Lease payments for the year	11.7

	March 31, 2019
Future minimum lease rental payables under non-cancellable operating leases are as follows:*	
Within one year	0.86
After one year but not more than five years	0.26
More than five years	-

*Future minimum lease rental payables under non-cancellable operating leases for the year ended March 31, 2019 excludes Rs. Nil pertaining to discontinued operations

33 Disclosure required under Section 186(4) of Companies Act, 2013

a) Loans to related parties includes loan given to a subsidiary. The particulars of which are disclosed below as required by Sec 186(4) of Companies Act, 2013.

Name of the party	**Rate of interest (p.a.)**	**Due date and amount payable**	**Purpose**	**March 31, 2020 Amount**	**March 31, 2019 Amount**
Thermax Engineering Construction Company Limited	Nil (March 31, 2019: 10.05%)	Not Applicable, the loan has been repaid by subsidiary	The loan has been granted to the subsidiary for working capital requirements.	-	7.50
Thermax Babcock & Wilcox Energy Solutions Private Limited	SBI Base rate plus 1%, currently 9.45% (March 31, 2019: Nil)	The principal amount shall be repaid within a period one year, subject to mutual extension. The interest is payable on a quarterly basis by the 15th day of the next month.	The loan has been granted to the subsidiary for funding for business acquisitions,working capital requirements etc.	301.00	-
First Energy Private Limited*	SBI Base rate plus 1%, currently 9.45% (March 31, 2019: Nil)	The loan shall be repaid within a period of one year	The loan has been granted to the subsidiary for working capital requirements.	3.62	-

*Loan amounting to Rs. 3.62 has been written off in the books

Notes to the standalone financial statements for the year ended March 31, 2020

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

b) The Company has issued guarantees on behalf of subsidiaries to banks. Details as below

Name of the party	March 31, 2020		March 31, 2019	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount
Thermax Instrumentation Limited	-	12.88	-	18.37
Thermax Instrumentation Limited	USD 1.3	9.83	USD 2.65	18.32
Thermax Onsite Energy Solutions Limited	-	4.23	-	2.60
Thermax Babcock & Wilcox Energy Solutions Private Limited	-	391.54	-	-
Total		**418.48**		**39.29**

Purpose : Bank guarantees issued favouring end customers on behalf of the subsidiaries

c) The Company has issued indemnity bonds, letter of support/comfort and corporate guarantees, counter corporate guarantees on behalf of subsidiaries. Details are given below:

Name of the party	March 31, 2020		March 31, 2019	
	Foreign currency (million)	Amount	Foreign currency (million)	Amount
Thermax Instrumentation Limited		42.00		30.00
Thermax Engineering Construction Company Limited		69.00		90.00
Thermax Babcock & Wilcox Energy Solutions Private Limited		1,615.00		-
Thermax Cooling Solutions Limited		35.00		-
Thermax Engineering Singapore Pte. Ltd.	USD 10	75.65		-
Danstoker A/S	USD 7.2	54.47		-
Thermax (Zhejiang) Cooling & Heating Engineering Company Ltd.	USD 6	45.39	USD 6	41.49
PT Thermax International Indonesia	USD 11.4	86.24	USD 6.4	44.26
Rifox-Hans Richter GmbH Spezialarmaturen	EUR 0.45	3.75	EUR 0.45	3.49
Thermax Denmark ApS	EUR 5.75	47.89	EUR 5.75	44.62
Total		**2,074.39**		**253.86**

The above guarantees have been issued for the purpose of various banking facilities for the subsidiaries.

34 Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure at 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy. The fund has formed a trust and it is governed by the Board of Trustees.

The fund is subject to risks such as asset volatility, changes in assets 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.

Notes to the standalone financial statements for the year ended March 31, 2020

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

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2018	**83.80**	**(93.55)**	**(9.75)**
Current service cost	8.26	-	8.26
Interest expense/(income)	6.00	(7.17)	(1.17)
Total amount recognised in Profit or Loss*	**14.26**	**(7.17)**	**7.09**
Experience adjustments	(0.47)	-	(0.47)
Actuarial loss from change in financial assumptions	0.05	-	0.05
Return on plan assets (income)	-	(0.02)	(0.02)
Total amount recognised in Other Comprehensive (Income) / Loss*	**(0.42)**	**(0.02)**	**(0.44)**
Employer contributions	-	(4.20)	(4.20)
Benefits paid	(10.80)	10.80	-
Reclassified as part of disposal group	(27.93)	27.93	-
March 31, 2019	**58.91**	**(66.21)**	**(7.30)**
Current service cost	8.02	-	8.02
Interest expense/(income)	6.19	(7.60)	(1.41)
Total amount recognised in Profit or Loss	**14.21**	**(7.60)**	**6.61**
Experience adjustments	4.67	-	4.67
Actuarial loss from change in financial assumptions	8.59	-	8.59
Demographic adjustments	(1.29)	-	(1.29)
Return on plan assets (income)	-	0.91	0.91
Total amount recognised in Other Comprehensive (Income) / Loss*	**11.97**	**0.91**	**12.88**
Employer contributions	-	(15.71)	(15.71)
Benefits paid	(11.75)	11.75	-
Reclassified as a part of disposal group	(1.90)	1.90	-
March 31, 2020	**71.44**	**(74.96)**	**(3.52)**

*Includes Rs. 2.27 in Profit or Loss and Rs.0.14 in Other Comprehensive Income pertaining to discontinued operations. As the liability at the year end is computed on consolidated basis, combined disclosure for continuing and discontinued operations has been presented.

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

Particulars	March 31, 2020	March 31, 2019
Present value of funded obligation	71.44	58.91
Fair value of plan assets	(74.96)	(66.21)
Surplus of funded plan	**(3.52)**	**(7.30)**

Notes to the standalone financial statements for the year ended March 31, 2020

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

III Significant assumptions

The principal actuarial assumptions were as follows :

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.04%	7.64%
Salary growth rate	7.00%	7.00%
Normal retirement age	60 years	60 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Employee turnover	5% to 10%	5% to 10%

IV Sensitivity analysis

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

Assumption	Impact on defined benefit obligation	
	March 31, 2020	March 31, 2019
Discount rate		
1.00% increase	Decrease by 5.08	Decrease by 5.01
1.00% decrease	Increase by 5.76	Increase by 5.65
Future salary increase		
1.00% increase	Increase by 5.26	Increase by 5.20
1.00% decrease	Decrease by 4.73	Decrease by 4.70
Attrition rate		
1.00% increase	Increase by 0.52	Increase by 0.15
1.00% decrease	Decrease by 0.58	Decrease by 0.18

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

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

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

Particulars	March 31, 2020	March 31, 2019
Within next 12 months	11.19	10.46
Between 2-5 years	27.67	37.57
Next 5 years	23.31	29.37

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2019: 9 years)

V The major categories of plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
Investments with Insurer (LIC of India)	100.00%	100.00%

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

35 **Related party disclosures**

A **Subsidiaries**

Unless otherwise stated, the subsidiaries have share capital consisting solely of equity shares that are held directly or indirectly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Sr. No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest March 31, 2020	Ownership interest March 31, 2019
1	Thermax Onsite Energy Solutions Limited	India	100%	100%
2	Thermax Instrumentation Limited	India	100%	100%
3	Thermax Engineering Construction Company Limited	India	100%	100%
4	Thermax Sustainable Energy Solutions Limited	India	100%	100%
5	Thermax International Limited	Mauritius	100%	100%
6	Thermax Europe Ltd.	United Kingdom	100%	100%
7	Thermax Inc.*	U.S.A.	100%	100%
8	Thermax do Brasil Energia-e Equipamentos Ltda.	Brazil	100%	100%
9	Thermax (Zhejiang) Cooling & Heating Engineering Company Ltd.	China	100%	100%
10	Thermax Netherlands B.V.	Netherlands	100%	100%
11	Thermax Denmark ApS*	Denmark	100%	100%
12	Danstoker A/S*	Denmark	100%	100%
13	Ejendomsanp artsselskabet Industrivej Nord 13*	Denmark	100%	100%
14	Boilerworks A/S*	Denmark	100%	100%
15	Boilerworks Properties ApS Industrivej*	Denmark	100%	100%
16	Danstoker Poland S.p.Z.o.o. *	Poland	100%	100%
17	Rifox-Hans Richter GmbH Spezialarmaturen	Germany	100%	100%
18	Thermax SDN. BHD	Malaysia	100%	100%
19	Thermax Engineering Singapore Pte. Ltd.	Singapore	100%	100%
20	PT Thermax International*	Indonesia	100%	100%
21	Thermax Hong Kong Limited	Hong Kong	100%	100%
22	Thermax Senegal S.A.R.L.*	Senegal	100%	100%
23	First Energy Private Limited	India	76%	76%
24	Thermax Energy and Environment Philippines Corporation *	Philippines	100%	100%
25	Thermax Energy & Environment Lanka (Private) Limited *	Sri Lanka	100%	100%
26	Thermax Nigeria Limited*	Nigeria	100%	100%
27	Thermax Babcock & Wilcox Energy Solutions Private Limited	India	100%	100%
28	Thermax Cooling Solutions Limited	India	100%	100%
29	Thermax Engineering Construction FZE *	Nigeria	100%	100%
30	Thermax International Tanzania Limited#	Tanzania	100%	NA
31	Thermax (Thailand) Limited##	Thailand	100%	NA
32	Thermax Employee ESOP and Welfare Trust**	India	-	-

* Held indirectly

\# Incorporated on December 7, 2019

\## Incorporated on March 9, 2020

** The Company has all ESOP trust and Employee Welfare Trusts set up for the welfare of the employees. Pursuant to the arrangement between the Trusts and the Company, the Company has determined that it has power to direct the relevant activities of the trust while being exposed to variable returns from its involvement with these entities.

Notes to the standalone financial statements for the year ended March 31, 2020

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

B Holding Company

Sr. No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest	
			March 31, 2020	March 31, 2019
1	RDA Holdings Private Limited	India	53.99%	53.99%

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

1 Mrs. Meher Pudumjee - Chairperson

2 Mrs. Anu Aga - Relative of Chairperson / Director

3 Mr. Pheroz Pudumjee - Director

4 Mr. Zahaan Pudumjee - Relative of Chairperson / Director

D Key Management Personnel:

1 Mr. M S Unnikrishnan - Managing Director and Chief Executive Officer

2 Dr Valentin A. H. von Massow - Independent Director

3 Dr Jairam Varadaraj - Independent Director

4 Mr. Nawshir Mirza - Independent Director

5 Mr. Harsh Mariwala - Independent Director

6 Mr. Sashishekhar Balakrishna (Ravi) Pandit - Independent Director

7 Mrs. Rajani Kesari-Independent Director

8 Mr. Amitabha Mukhopadhyay - Chief Financial Officer (Resigned on May 31, 2019)

9 Mr. Rajendran Arunachalam - Chief Financial Officer (w.e.f June 1, 2019)

10 Mr. Kedar Phadke - Company Secretary

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

1 Thermax Foundation, India

2 ARA Trusteeship Company Private Limited, India

3 Marico Limited, India

4 Elgi Ultra Industries Limited, India

5 Elgi Equipments Limited, India

6 The Akanksha Foundation, India

7 Festo India Private Limited, India

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

F Transactions with related parties for the year ended March 31, 2020:

	Subsidiaries		Enterprises over which control is exercised by Individuals having Significant influence over the company and Key Management Personnel		Key Management Personnel and Individuals having Significant influence over the company mentioned in D		Total	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
a. Transactions during the year								
Revenue from contracts with customers	214.39	9.04	0.68	-	-	-	**215.07**	**9.04**
Commission income	0.22	-	-	-	-	-	**0.22**	**-**
Miscellaneous income	9.94	0.39	-	-	-	-	**9.94**	**0.39**
Interest income	13.53	-	-	-	-	-	**13.53**	**-**
Dividend income	9.33	-	-	-	-	-	**9.33**	**-**
Recovery of expenses	23.36	0.37	-	-	-	-	**23.36**	**0.37**
Purchase of raw material and components	81.93	12.28	0.35	-	-	-	**82.28**	**12.28**
Site expenses and contract labour charges	58.78	1.56	-	-	-	-	**58.78**	**1.56**
Reimbursement of expenses^	11.01	1.05	-	-	-	-	**11.01**	**1.05**
Rendering of support services	3.11	-	-	-	-	-	**3.11**	**-**
Other expenses	1.61	0.03	0.01	-	-	-	**1.62**	**0.03**
Remuneration to Key Management Personnel*	-	-	-	-	6.93	-	**6.93**	**-**
Donation	-	-	7.47	-	-	-	**7.47**	**-**
Purchase of property, plant and equipment	0.86	-	-	-	-	-	**0.86**	**-**
Investment in equity shares	7.09	-	-	-	-	-	**7.09**	**-**
Redemption in Preference shares	10.00	-	-	-	-	-	**(10.00)**	**-**
Loans given	304.62	-	-	-	-	-	**304.62**	**-**
Loan Recovered#	9.30	-	-	-		-	**9.30**	**-**
Director's sitting fees	-	-	-	-	0.44	-	**0.44**	**-**
Commission paid	-	-	-	-	3.72	-	**3.72**	**-**
Rent paid	0.63	-	-	-	0.51	-	**1.13**	**-**
Consideration received towards sale of B&H business	350.74	-	-	-	-	-	**350.74**	**-**

* Does not include gratuity and leave encashment since the same is calculated for all employees of the company as a whole.
^ Includes free of cost supplies of Rs. Nil (March 31, 2019: 4.61)
# Includes Rs. 1.8 (March 31, 2019: Nil) on account of loan recovered from Thermax Sustainable Energy Solutions Limited which was written off in the books in previous periods.
Note: Dividend paid to RDA Holdings Private Limited, India is Rs. 90.06 and to Employee welfare and ESOP trusts Rs 9.16, including interim dividend for the year 2019-20

Transactions carried out in the capacity of agent with TBWES:

Description	Total
Revenue from contracts with customers	178.29
Purchase of raw material and components	47.76

(March 31, 2019: Nil)
Receivables and Payables arising in the capacity of agent with TBWES have been presented on a net basis in the financial statements

Notes to the standalone financial statements for the year ended March 31, 2020

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

	Subsidiaries	Enterprises over which control is exercised by Individuals having Significant influence over the company and Key Management Personnel	Key Management Personnel and Individuals having Significant influence over the company mentioned in D	Total
b. Balances as at reporting date				
Trade receivables^	69.48	**	-	**69.48**
Interest accrued	6.14	-	-	**6.14**
Advances given	33.45	-	-	**33.45**
Loans given (including security deposit)*	304.62	-	0.53	**305.15**
Other Assets	14.40	-	-	**14.40**
Trade payables	66.38	0.02	-	**66.39**
Advances received	2.95	-	-	**2.95**
Guarantee /letter of comfort given on behalf of subsidiaries	2,492.87	-	-	**2,492.87**

** represents amount less than a lakh rupees

^ Before impairment provision Rs. 2.67 (March 31, 2019: Nil)

* Before impairment provision Rs. 3.62 (March 31, 2019: Nil)

G Transactions with related parties for the year ended March 31, 2019:

	Subsidiaries		Joint Ventures		Enterprises over which control is exercised by Individuals having Significant influence over the company and Key Management Personnel		Key Management Personnel and Individuals having Significant influence over the company mentioned in D		Total	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
a. Transactions during the year										
Revenue from contracts with customers	149.23	1.11	-	-	1.07	-	-	-	**150.30**	**1.11**
Commission income	0.21	-	-	-	-	-	-	-	**0.21**	**-**
Miscelleneous income	0.77	0.95	-	0.36	-	-	-	-	**0.77**	**1.31**
Interest income	0.34	-	-	-	-	-	-	-	**0.34**	**-**
Dividend income	10.00	-	-	-	-	-	-	-	**10.00**	**-**
Recovery of expenses	10.31	3.21	-	-	-	-	-	-	**10.31**	**3.21**
Purchase of raw material and components	0.91	5.77	15.16	-	-	-	-	-	**16.07**	**5.77**
Site expenses and contract labour charges	23.44	15.66	-	-	-	-	-	-	**23.44**	**15.66**
Reimbursement of expenses^	10.34	6.21	-	-	-	-	-	-	**10.34**	**6.21**
Rendering of support services	2.43	-	-	-	-	-	-	-	**2.43**	**-**
Remuneration to key management personnel*	-	-	-	-	-	-	6.17	-	**6.17**	**-**
Donation	-	-	-	-	7.60	-	-	-	**7.60**	**-**
Purchase of property, plant and equipment	-	0.28	-	-	-	-	-	-	**-**	**0.28**
Investment in Equity shares	138.60	-	-	-	-	-	-	-	**138.60**	**-**
Investment in Preference shares	52.70	-	-	-	-	-	-	-	**52.70**	**-**
Loan given	6.00	-	-	-	-	-	-	-	**6.00**	**-**
Director's sitting fees	-	-	-	-	-	-	0.50	-	**0.50**	**-**
Commission paid	-	-	-	-	-	-	3.46	-	**3.46**	**-**
Rent paid	0.63	-	-	-	-	-	0.44	-	**1.07**	**-**

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

^ Includes free of cost supplies of Rs. 4.61.

Note: Dividend paid to RDA Holdings Private Limited, India is Rs. 38.60 and to Employee welfare and ESOP trusts Rs 3.92

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

	Subsidiaries		Joint Ventures		Enterprises over which control is exercised by Individuals having Significant influence over the company and Key Management Personnel		Key Management Personnel and Individuals having Significant influence over the company mentioned in D		Total	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
b. Balances as at reporting date										
Trade receivables	45.80	4.09	-	-	0.07	-	-	-	**45.87**	**4.09**
Interest accrued	0.17	-	-	-	-	-	-	-	**0.17**	**-**
Advances given	11.52	2.66	-	-	-	-	-	-	**11.52**	**2.66**
Loans given (including security deposit)	7.50	-	-	-	-	-	0.53	-	**8.03**	**-**
Trade payables	27.76	5.93	-	-	-	-	-	-	**27.76**	**5.93**
Advances received	3.79	-	-	-	-	-	-	-	**3.79**	**-**
Guarantee /letter of comfort given on behalf of subsidiaries and joint ventures	293.15	-	-	-	-	-	-	-	**293.15**	**-**

H Related party transactions include transactions pertaining to the following parties with whom the transactions are considered to be individually significant (percentage of the transactions being 10% or more of the total of transactions given in note 'F' and 'G' above

Particulars	March 31, 2020	March 31, 2019
Transactions during the year		
Revenue from contracts with customers		
Thermax Inc., U.S.A.	91.20	93.02
Thermax Europe Limited., U.K	32.10	25.43
Thermax Onsite Energy Solutions Limited, India	28.47	11.91
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	35.41	0.63
PT Thermax International, Indonesia	33.71	13.15
Commission income		
Thermax Engineering Construction Company Limited, India	0.13	0.12
Thermax Instrumentation Limited, India	0.09	0.08
Miscellaneous income		
Thermax Engineering Construction Company Limited, India	0.00	0.87
Thermax Instrumentation Limited, India	0.61	0.61
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	9.30	0.08
Interest income		
Thermax Engineering Construction Company Limited, India	0.27	0.34
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	13.25	-
Dividend income		
Thermax Engineering Construction Company Limited, India	-	10.00
Thermax Onsite Energy Solutions Limited, India	9.33	-
Recovery of expenses		
Thermax Engineering Construction Company Limited, India	0.63	2.90
Thermax Instrumentation Limited, India	5.93	5.64
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	13.16	0.90

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Particulars	March 31, 2020	March 31, 2019
Purchase of raw material and components		
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	87.41	5.77
Thermax Cooling Solutions Limited, India	2.54	15.16
Site expenses and contract labour charges		
Thermax Engineering Construction Company Limited, India	1.56	12.56
Thermax Instrumentation Limited, India	58.42	23.40
Reimbursement of expenses		
Thermax Engineering Construction Company Limited, India	0.24	4.46
Thermax Europe Limited., U.K	5.95	1.89
Thermax SDN BHD, Malaysia	1.82	2.92
Thermax Inc., U.S.A.	0.54	4.93
Rendering of support services		
Thermax Energy and Environment Philippines Corporation	3.11	2.43
Other expenses:		
Thermax SDN BHD, Malaysia	1.32	-
Remuneration to Key Management Personnel, excluding commission		
Mr. M. S. Unnikrishnan	4.00	3.63
Mr. Amitabha Mukhopadhyay	1.26	2.23
Mr. Rajendran Arunachalam	1.27	-
Donation		
Thermax Foundation, India	7.47	7.60
Purchase of property, plant and equipment		
Thermax Engineering Construction Company Limited, India	-	0.28
Thermax Babcock & Wilcox Energy Solutions Private Ltd., India	0.86	-
Investment in equity shares		
Thermax Babcock & Wilcox Energy Solutions Private Ltd., India	-	50.34
Thermax Engineering Singapore Pte. Ltd., Singapore	-	37.35
Thermax Netherlands B.V.	-	43.66
Thermax (Zhejiang) Cooling & Heating Engineering Company Ltd.	7.09	-
(Redemption)/Investment in Preference share		
Thermax Babcock & Wilcox Energy Solutions Private Ltd., India	-	52.70
Thermax Instrumentation Limited, India	(10.00)	-
Loans given		
Thermax Engineering Construction Company Limited, India	-	6.00
Thermax Babcock & Wilcox Energy Solutions Private Ltd., India	301.00	-

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Particulars	March 31, 2020	March 31, 2019
Loans recovered		
Thermax Engineering Construction Company Limited, India	7.50	-
Thermax Sustainable Energy Solutions Limited	1.80	-
Directors sitting fees		
Mrs. Meher Pudumjee	0.06	0.07
Mr. Pheroz Pudumjee	0.08	0.09
Dr Valentin A. H. von Massow	0.06	0.07
Dr Jairam Varadaraj	0.07	0.08
Mr. Nawshir Mirza	0.06	0.06
Mr. Ravi Pandit	0.06	0.02
Commission paid		
Mrs. Meher Pudumjee	0.45	0.45
Mr. Pheroz Pudumjee	0.20	0.20
Dr Valentin A. H. von Massow	0.37	0.30
Dr Jairam Varadaraj	0.20	0.15
Mr. Nawshir Mirza	0.35	0.35
Mr. Harsh Mariwala	0.25	0.20
Mr Ravi Pandit	0.15	0.15
Mrs. Rajani Kesari	0.15	0.06
M. S. Unnikrishnan	1.60	1.60
Rent paid		
Mrs. Meher Pudumjee	0.14	0.13
Mrs. Anu Aga	0.24	0.18
Mr. Pheroz Pudumjee	0.14	0.13
Thermax Instrumentation Limited, India	0.63	0.63

Particulars	March 31, 2020	March 31, 2019
Balances as at year end		
Trade receivables		
Thermax Inc., U.S.A.	14.96	15.70
Thermax Europe Limited., U.K	0.02	12.95
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	32.43	1.30
PT Thermax International, Indonesia	9.87	3.61
Interest accrued		
Thermax Engineering Construction Company Limited, India	-	0.17
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	6.14	-
Advances given		
Thermax Instrumentation Limited, India	4.69	10.71
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	22.49	1.50
Loans given (including security deposit)		
Thermax Engineering Construction Company Limited, India	-	7.50
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	301.00	-

Notes to the standalone financial statements for the year ended March 31, 2020

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

Particulars	March 31, 2020	March 31, 2019
Other Assets:		
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	14.05	-
Trade payables		
Thermax Instrumentation Limited, India	28.18	16.43
Thermax Engineering Construction Company Limited, India	-	4.08
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	27.01	1.29
Advances received		
Thermax Onsite Energy Solutions Limited, India	2.40	1.16
PT Thermax International, Indonesia	0.19	2.63
Thermax Babcock & Wilcox Energy Solutions Private Limited, India	0.36	-
Guarantee/ Letter of comfort given on behalf of subsidiaries*	2,492.87	293.15

* For details of guarantee/ letter of comfort given on behalf on subsidiaries, refer note 33

J **Loans and advances in the nature of loans given to subsidiaries and firms/ Companies in which directors are interested:**

Particulars	March 31, 2020	March 31, 2019
Thermax Engineering Construction Company Limited, India		
Balance outstanding	-	7.50
Maximum amount outstanding during the year	7.50	7.50
Thermax Babcock & Wilcox Energy Solutions Private Limited, India		
Balance outstanding	301.00	-
Maximum amount outstanding during the year	301.00	-
First Energy Private Limited, India		
Balance outstanding	3.62	-
Maximum amount outstanding during the year	3.62	-

K **Terms and conditions of related party transactions**

The sales to and purchases from related parties are assessed to be at arm's length transactions by the management. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. Refer note 33(a) for terms and conditions for loans to related parties.

For the year ended March 31, 2020, the Company has recorded an impairment of receivables amounting to Rs. 2.67 and impairment of loan amounting to Rs. 3.62 relating to amounts owed by related parties (March 31, 2019: 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.

36 Segment information

In accordance with para 4 of Ind AS 108 "Operating Segments", the Company has disclosed segment information in the consolidated financial statements.

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

37 **Fair value measurements**

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

i) **Financial assets**

Details of financial assets carried at amortised cost

	As at March 31, 2020	As at March 31, 2019
Trade receivables	845.49	897.45
Loans	316.77	24.63
Other financial assets	112.55	410.60
Cash and cash equivalents	86.84	92.88
Bank balances other than cash and cash equivalents (includes deposits with maturity of more than 3 months but less than 12 months)	141.64	25.88
Total	**1,503.29**	**1,451.44**
Current assets	1,178.61	1,378.75
Non-current assets	324.68	72.69
Total	**1,503.29**	**1,451.44**

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

Details of financial assets carried at fair value through profit and loss

	As at March 31, 2020	As at March 31, 2019
Investments	756.13	766.85
Total	**756.13**	**766.85**
Current assets	637.14	656.92
Non-current assets	118.99	109.93
Total	**756.13**	**766.85**

The fair values of the quoted shares and mutual funds are based on price quotations at the reporting date.

Details of derivative assets

	As at March 31, 2020	As at March 31, 2019
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	1.99	33.41
Derivative not designated as hedges		
Foreign exchange forward contracts	2.43	5.92
Total	**4.42**	**39.33**
Current assets	4.42	39.33
Non-current assets	-	-
Total	**4.42**	**39.33**

Notes to the standalone financial statements for the year ended March 31, 2020

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

(ii) Financial liabilities

Details of financial liabilities carried at amortised cost

	As at March 31, 2020	As at March 31, 2019
Borrowings	72.38	40.00
Trade payable	648.17	830.72
Employee related payables	38.49	38.39
Other liabilities	21.63	36.46
Total	**780.67**	**945.57**
Current liabilities	727.94	912.68
Non current liabilities	52.73	32.89
Total	**780.67**	**945.57**

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

Details of derivative liabilities

	As at March 31, 2020	As at March 31, 2019
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	12.89	21.21
Derivative not designated as hedges		
Foreign exchange forward contracts	6.76	0.85
Total	**19.65**	**22.06**
Current liabilities	19.65	22.06
Non-current liabilities	-	-
Total	**19.65**	**22.06**

The Company enters into derivative financial instruments with banks. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs which captures credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies. The company has a practice to settle all derivative contracts on or before its maturity using the sanctioned finance limits with banks, thereby eliminating both counterparty and the Company's own non-performance risk. 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.

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

b) Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020

	Date of valuation	Level 1	Level 2	Level 3*
Financial assets				
Investments				
Equity instruments	March 31, 2020	0.08	-	-
Preference shares	March 31, 2020	-	-	59.86
Mutual funds	March 31, 2020	-	696.19	-
Derivative financial assets	March 31, 2020	-	4.42	-
Financial liabilities				
Derivative financial liabilities	March 31, 2020	-	19.65	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019

	Date of valuation	Level 1	Level 2	Level 3*
Financial assets				
Investments				
Equity instruments	March 31, 2019	0.18	-	-
Preference shares	March 31, 2019	-	-	65.65
Mutual funds	March 31, 2019	-	701.02	-
Derivative financial assets	March 31, 2019	-	39.33	-
Financial liabilities				
Derivative financial liabilities	March 31, 2019	-	22.06	-

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

Valuation of financial assets in Level 3 has been done based on discounting of future cash flows. There are no changes from previous year.

* The movement in Level 3 is on account of Redemption of Preference shares and Interest accretion.

38 (a) Financial risk management

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

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

The Company's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the years ended March 31, 2020 and March 31, 2019. The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

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

I **Market risk**

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

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

a **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not currently exposed significantly to such risk.

b **Foreign currency risk**

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

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

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

Foreign currency sensitivity

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

	Impact on profit before tax		Impact on other components of equity	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
USD Sensitivity				
INR/ USD - Increase by 1%	(1.44)	0.01	(1.11)	(1.25)
INR/ USD - Decrease by 1%	1.44	(0.01)	1.11	1.25
SEK Sensitivity				
INR/ SEK - Increase by 1%	0.15	0.02	0.09	0.14
INR/ SEK - Decrease by 1%	(0.15)	(0.02)	(0.09)	(0.14)
EURO Sensitivity				
INR/ EUR - Increase by 1%	(0.35)	(0.07)	(0.01)	(0.18)
NR/ EUR - Decrease by 1%	0.35	0.07	0.01	0.18

Favourable impact shown as positive and adverse impact as negative.

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

c **Price risk**

The Company's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. These securities are unquoted. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions. The Company is not currently exposed significantly to such risk.

II **Credit risk**

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

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on losses as per historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in notes 7 and 9(b) above. The charge of impairment to Statement of profit and loss is disclosed in note 28(a) above. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and bank deposits

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

The Company’s maximum exposure to credit risk for bank balances and deposits as at March 31, 2020 and March 31, 2019 is the carrying amounts as disclosed in Note 9(a) and 13, maximum exposure relating to financial guarantees is disclosed in note 33 and financial derivative instruments in notes 9(b) and 17(b) to the financial statements.

III **Liquidity risk**

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

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

Notes to the standalone financial statements for the year ended March 31, 2020

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

(i) Maturities of financial liabilities

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

March 31, 2020	< 1 year	1 to 3 years	> 3 years
Non- derivative			
Borrowings	72.38	-	-
Trade Payables	602.59	45.58	-
Other financial liabilities			
Unpaid dividend	0.97	-	-
Lease obligation	1.08	2.25	3.79
Other payables	50.92	1.11	-
Derivatives (net settled)			
Foreign exchange forward contracts	19.65	-	-

March 31, 2019	< 1 year	1 to 3 years	> 3 years
Non- derivative			
Borrowings	40.00	-	-
Trade Payables	798.94	31.78	-
Other financial liabilities			
Unpaid dividend	0.98	-	-
Other payables	72.76	1.11	-
Derivatives (net settled)			
Foreign exchange forward contracts	22.06	-	-

38 (b) Hedging activities and derivatives

Cash flow hedges

Foreign currency risk

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

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

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

Particulars	March 31, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign exchange forward contracts designated as hedging instruments	4.42	(19.65)	39.33	(22.06)

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 are as mentioned below.

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

Particulars	March 31, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Foreign exchange forward contracts	318.46	(35.39)	488.86	(256.12)
Derivatives not designated as hedges				
Foreign exchange forward contracts	234.29	(77.46)	207.65	(20.00)

All the derivative contracts mature within the next 12 months.

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

Particulars	March 31, 2020		March 31, 2019	
	Expected future sales	Expected future purchases	Expected future sales	Expected future purchases
Unrealised gain/ (loss)	(9.55)	11.96	13.32	(11.42)
Deferred tax asset/ (liability)	2.40	(3.01)	(4.65)	3.99
	(7.14)	**8.95**	**8.66**	**(7.43)**

The amounts retained in OCI at March 31, 2020 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2021.

Reclassifications to profit or loss during the year gains or losses included in OCI are shown in Note 31.

39 Capital Management

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long- term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. No changes were made in the objectives, policies or processes during the years ended March 31, 2020 and March 31, 2019. Capital represents equity attributable to equity holders of the Parent Company.

	March 31, 2020	March 31, 2019
Borrowings	72.38	40.00
Trade payables	648.17	830.72
Book overdraft	3.41	22.19
Less: Cash and cash equivalents(includes deposits with maturity of more than 3 months but less than 12 months)	(228.48)	(118.76)
Net debt	**495.48**	**774.15**
Equity	2,737.49	2,735.85
Capital and net debt	**3,232.97**	**3,510.00**
Gearing ratio	**1:6.52**	**1:4.53**

Notes to the standalone financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

40 Exceptional Item

	March 31, 2020	March 31, 2019
Impairment in subsidiaries *		
Thermax (Zhejiang) Cooling and Heating Engineering Co Ltd.	7.09	15.42
Thermax Netherlands B.V.	-	126.38
First Energy Private Limited - Equity shares	4.18	0.76
First Energy Private Limited - Preference shares	-	11.93
First Energy Private Limited - Loan	3.62	-
Thermax Cooling Solutions Limited	-	5.20
Reversal of Impairment in subsidiaries		
Thermax Babcock & Wilcox Energy Solutions Private Limited #	-	(111.84)
	14.89	**47.85**

* Considering the current market scenario and performance of certain subsidiaries, the Company has accounted for impairment on certain investments in subsidiaries.

Subsequent to the acquisition of TBWES, as part of organisational restructuring the Board of Directors of the Company at its meeting held on February 8, 2019, subject to share holders approval, had approved the transfer of Boilers & Heaters (B&H) division of the Company to TBWES on a going concern basis through slump sale. The consideration for the transaction was at book value of B&H division. In view of the expected business synergies, available order book and current and expected performance of B&H business, management had assessed the carrying value of Investments in TBWES in financial statements and have accordingly reversed the earlier impairment loss of Rs 111.84 (disclosed as exceptional item) in the previous year.

41 Impact of COVID-19

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared a national lockdown on March 24, 2020 and which has been extended from time to time . The Coronavirus is significantly impacting on business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. The Company is monitoring the situation closely and operations are being resumed in a phased manner considering directives from the Government. The Company has evaluated its liquidity position and recoverability and carrying values of trade receivables, contract balances and inventories as at March 21, 2020 and has concluded that no material adjustments are required at this stage.

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Thermax Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS 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") comprising of the consolidated Balance sheet as at March 31, 2020, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS 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, the aforesaid consolidated Ind AS 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 as at March 31, 2020, 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 Ind AS 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 Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matters

(a) We draw attention to note 31(A)(a) of the consolidated Ind AS financial statements relating to the demand orders on the Group for Rs. 1,385.47 crores (including penalty of Rs. 331.88 crores and excluding interest not presently quantified) by the Commissioner of Central Excise, Pune. The Holding Company has filed an appeal against the said orders.

(b) We draw attention to note 43 of the accompanying consolidated Ind AS financial statements which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the carrying value of its intangible assets, trade receivables, contract balances and inventories as at March 31, 2020 and the operations of the Group.

Our opinion is not qualified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition for Engineering, Procurement and Construction contracts *(as described in note 21(c) of the consolidated Ind AS financial statements)*	
The Holding Company's significant portion of business is undertaken through Engineering, Procurement and Construction (EPC) contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue is accounted over a period of time (using input method) which requires identification of performance obligations, significant judgement with regards to determining contract costs incurred to date compared to estimated total contract costs, the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Revenues and profits for the year under audit, may deviate significantly on account of change in such judgements and estimates. Revenue from such contracts amounted to Rs. 2,590.29 crores.	Our audit procedures included the following: • We understood the Holding Company's policies and processes, control mechanisms and methods in relation to the revenue recognition for these contracts and evaluated the design and operating effectiveness of the financial controls from the above through our test of control procedures. • We evaluated management's estimates and assumptions for a selected (risk-based method) sample contracts and inspected the underlying documents which form the basis of revenue recognition under the input method. We evaluated the management's process to recognize revenue over a period of time, total cost estimates, status of the projects and re-calculated the arithmetical accuracy of the same. • Amongst others, for a sample of contracts, we performed the following procedures: • Provision for liquidated damages: Our procedures involved discussions with management and project teams to understand the status of the project and on-going discussions with the customers in terms of likelihood of imposing any contractual penalties and analyzed the above through inspection of the relevant documents and correspondences. • Adequacy of contingency provisions: We understood the management's estimate and rationale for provision movement during the year. We analyzed the movement throughout the life of the contract, and discussed progress to date with individual project

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>teams to determine whether the remaining contingency was sufficient to cover residual risks on the project.
• Assessment of costs-to-complete: We performed analytical procedures on balance cost estimation, tested the historical accuracy of previous forecasts and discussed variances with project teams. We tested that the costs incurred were accrued at year end and also tested the assumptions for balance costs-to-complete.
• We understood the management's assessment of the impact due to the lockdown and other restrictions caused by COVID-19 in relation to the above.
• We performed analytical procedures and checked exceptions for contracts with low or negative margins, loss making contracts, contracts with significant changes in cost estimates, probable penalties due to delay in contract execution and significant overdue net receivable positions for contracts with marginal or no movement to determine the level of provisioning required.
• We read and assessed the presentation and disclosure of such EPC contracts in the consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2"><u>Impairment of financial and contract assets:</u>
(as described in note 7 and note 9(b) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Holding Company's accounting with respect to Impairment of financial assets and contract assets is covered through Expected Credit Losses (ECL) method under Ind AS 109 and is expected to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. Impairment of financial assets is a key audit matter for the Holding Company as it has devised a model to recognize impairment through ECL method using individual receivables or homogeneous group of receivables with similar credit risk characteristics.
The calculation of the impairment allowance under ECL method is highly judgmental as it requires management to make significant assumptions on customer payment behavior and other relevant risk characteristics when assessing the Group's statistics of historical information</td><td>Our audit procedures performed included the following:
• We evaluated the management's key data sources and assumptions used in the ECL model to determine impairment allowance including any updates to such assumptions due to COVID-19.
• We understood the management's basis to consider the associated risks for identifying homogeneous group of receivables.
• We evaluated the process followed by the Holding Company for determination of credit risk and the resultant basis for classification of receivables into various stages.
• For a sample of receivables, we tested the ageing of the receivables considered for the calculation of impairment allowance.</td></tr>
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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>and estimating the level and timing of expected future cash flows. The timing of future cash flows may also vary to some extent due to COVID-19. As at the March 31, 2020, the Holding Company recorded an impairment allowance of Rs 286.68 crores for its receivables and unbilled revenue.</td><td>We assessed the completeness of financial assets included in the ECL calculations as of the reporting date.
We considered the consistency of various inputs and assumptions used by the Company's management to determine impairment provisions.
We assessed the adequacy of the related disclosures in the notes to consolidated Ind AS financial statements.</td></tr>
<tr><td colspan="2"><u>Impairment of Goodwill</u>
(as described in note 4(d) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The auditors of Thermax Denmark ApS, a step-down subsidiary of the Holding Company has reported Impairment of goodwill as a Key Audit Matter.

The consolidated balance sheet includes Rs 32.28 crores of goodwill as on March 31, 2020 pertaining to Thermax Danstoker A/s, a step-down subsidiary of the Holding Company. The assessment of impairment requires management to make significant estimates concerning the estimated future cash flows and associated discount rates and growth rates based on management's view of future business prospects.

The impairment test model based on estimates prevailing at the reporting date includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate.

The annual impairment testing is considered a significant accounting judgement and estimate in note 3(2)(ii) and related disclosures in note 4(d) to the consolidated Ind AS financial statements and therefore is considered as a key audit matter</td><td>The procedures performed by the auditor of Thermax Danstoker A/s, as reported by them, includes the following:
Examined the impairment analysis prepared by management, which was performed in accordance with the discounted cash flow model, and assessed the assumptions considered by management.
Assessed whether the calculation model is relevant and assessed the discount factor and growth rate levels.
Examined procedures for the budget preparation and compared budgets with the Group Company's future plans. The expected net cash flows are based on budgets for the next five years and a terminal value.
Performed a retrospective review of management's ability to provide accurate budget.
Tested the mathematical accuracy of the impairment test
Performed sensitivity analysis around the key assumptions used in the models.
As part of our procedures, we have
Discussed with the Holding Company management about the basis of impairment test and understood the business outlook amidst the COVID-19 pandemic.
Re-performed arithmetical accuracy of the impairment test and confirmed working with subsidiary auditor.
Assessed the adequacy of disclosure notes in the consolidated Ind AS financial statements, including the disclosures on the sensitivity of assumptions used.</td></tr>
</table>

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Recoverability of Deferred taxes</u>
(as described in note 10 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>Thermax Babcock and Wilcock Energy Solutions Private Limited (TBWES), a subsidiary of the Holding Company has a net Deferred Tax Asset ("DTA") of Rs. 83.06 crores from unused tax losses. Ind AS 12 states that a DTA shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.
The assessment of utilization of accumulated tax losses against future taxable income involves significant estimates and therefore considered as a key audit matter.</td><td>As part of our audit, following procedures were performed by us:
• Evaluated the design and implementation of controls relating to the assessment of the future profitability of TBWES;
• Performed sensitivity analysis on management's assumptions used in the forecast model by using our industry knowledge in which the Company operates;
• In evaluating management's judgements, we have considered, amongst other things, historical levels of taxable profits, the historical accuracy of forecasts, and the growth forecasts used by TBWES;
• Tested the mathematical accuracy of the deferred tax calculation;
• Used the knowledge and experience of tax specialists to assist in assessing the assumptions and judgements made by TBWES; and
• Evaluated the adequacy of the Groups's disclosures setting out the basis of the deferred tax balance and the level of estimation involved.</td></tr>
<tr><td colspan="2"><u>Contingent liability relating to Tax matters in one of the foreign subsidiary</u>
(as described in note 31(A) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group companies generally receives tax related notifications during the year. Accordingly, one of the Group company has received a tax notification adjustment for tax recovery and penalties in relation to review of earlier fiscal years amounting to Rs. 28.55 crores.
The auditor has identified the tax notification adjustment as a key audit matter as it requires significant judgement in determining the likely outcome of the legal case.</td><td>As reported by the auditors of the subsidiary, following procedures were performed:
• Inspected the tax notices received from the tax administration.
• Received and inspected the subsidiary's response to the tax administration drafted with the assistance of its tax expert.
• Involved their internal tax specialists to perform an independent review about the sustainability of the underlying matters.
As part of our procedures, we have discussed with the Group management regarding assumptions and estimates made and assessed the adequacy of the disclosures in the consolidated Ind AS financial statements.</td></tr>
</table>

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

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's statement, Managing Director's statement, Business Responsibility Report and Director's Report including annexure to the Director's Report of the Annual Report of the Group, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS 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 for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS 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 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 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

Those charged with governance of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020 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 23 subsidiaries, 2 branches of a subsidiary and various trusts, whose Ind AS financial statements include total assets of Rs. 836.07 crores as at March 31, 2020, and total revenues of Rs. 683.67 crores and net cash inflows of Rs. 10.23 crores for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, branches of a subsidiary and trusts, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, branches of a subsidiary and trusts, is based solely on the reports of such other auditors.

(b) Our opinion above on the consolidated Ind AS 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.

Report on Other Legal and Regulatory Requirements

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, 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 Ind AS financial statements;

(b) In our opinion, proper books of account as 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;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS 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 matter related to demand orders against the Holding Company 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, 2020 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 subsidiary companies, none of the directors of the Group's companies incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate report in "Annexure 1" to this Report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided 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;

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – refer note 31(A) to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS 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 note 18(b) to the consolidated Ind AS financial statements; and

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, 2020.

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

per Tridevlal Khandelwal
Partner
Membership Number: 501160
UDIN: 20501160AAAABN5511

Place of Signature: Pune
Date: June 18, 2020

Annexure 1 as referred to in paragraph 2(g) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Thermax Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Thermax Limited (hereinafter referred to as the "Holding Company") and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by ICAI, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, 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 over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to 2 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

per Tridevlal Khandelwal
Partner
Membership Number: 501160
UDIN: 20501160AAAABN5511

Place of Signature: Pune
Date: June 18, 2020

THERMAX

Consolidated Balance Sheet as at March 31, 2020

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

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Assets			
I. Non-current assets			
Property, plant and equipment	4 (a)	1,055.09	1,254.98
Capital work-in-progress	4 (a)	55.26	40.12
Right-of-use assets	4 (b)	169.67	-
Goodwill	4 (c)	35.31	33.07
Other intangible assets	4 (c)	22.91	23.81
Intangible assets under development	4 (c)	0.74	-
Financial assets:			
(a) Investments	5	59.13	54.28
(b) Trade receivables	7 (a)	92.13	60.40
(c) Loans	8 (a)	18.20	19.33
(d) Finance lease receivables	32	58.89	47.52
(e) Other assets	9 (a)	38.93	54.45
Deferred tax assets (net)	10	155.36	221.92
Income tax assets (net)		129.61	93.29
Other assets	11 (a)	87.38	159.65
Total non-current assets		**1,978.61**	**2,062.82**
II. Current assets			
Inventories	12	454.56	508.62
Financial assets:			
(a) Investments	6	816.07	775.06
(b) Trade receivables	7 (b)	1,386.33	1,378.13
(c) Cash and cash equivalents	13 (a)	254.04	308.23
(d) Bank balances other than (c) above	13 (b)	222.06	60.83
(e) Loans	8 (b)	5.94	7.13
(f) Finance lease receivables	32	9.29	5.63
(g) Other assets	9 (b)	431.21	1,221.91
Income tax assets (net)		3.33	5.23
Other assets	11 (b)	394.45	466.35
Total current assets		**3,977.28**	**4,737.12**
Total assets		**5,955.89**	**6,799.94**
Equity and liabilities			
III. Equity			
Equity share capital	14	22.52	22.52
Other equity	15 (a)	3,005.38	2,991.77
Total equity		**3,027.90**	**3,014.29**
IV. Non-current liabilities			
Financial liabilities:			
(a) Borrowings	16 (a)	33.39	35.07
(b) Trade payables	17 (a)	39.73	28.76
(c) Other liabilities	18 (a)	17.86	6.10
Provisions	19 (a)	20.97	16.06
Deferred tax liabilities (net)	10	4.41	9.90
Other liabilities	20 (a)	24.79	35.95
Total non-current liabilities		**141.15**	**131.84**
V. Current liabilities			
Financial liabilities:			
(a) Borrowings	16 (b)	178.15	185.00
(b) Trade payables	17 (b)		
Total outstanding dues of micro and small enterprises		183.75	173.10
Total outstanding dues of creditors other than micro and small enterprises		776.49	1,197.55
(c) Other liabilities	18 (b)	148.12	148.17
Other liabilities	20 (b)	1,319.64	1,793.87
Provisions	19 (b)	169.35	143.27
Income tax liabilities (net)		11.34	12.85
Total current liabilities		**2,786.84**	**3,653.81**
Total equity and liabilities		**5,955.89**	**6,799.94**
Summary of significant accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	3		
The accompanying notes are an integral part of these financial statements.			

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

Consolidated statement of profit and loss for the year ended March 31, 2020

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

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
Income			
Revenue from operations	21	5,731.31	5,973.17
Other income	22	100.00	149.88
Total Income (I)		**5,831.31**	**6,123.05**
Expenses			
Cost of raw materials and components consumed	23	2,996.14	3,239.69
Purchase of traded goods		104.12	115.09
(Increase) in inventories of finished goods, work-in-progress and traded goods	24	(14.57)	(18.12)
Employee benefits expense	25	799.02	767.45
Finance cost	26	15.02	14.32
Depreciation and amortisation expense	27	116.63	92.02
Other expenses	28	1,440.42	1,411.62
Total expenses (II)		**5,456.78**	**5,622.07**
Profit before exceptional items, share of loss of joint ventures and tax (III) = (I-II)		**374.53**	**500.98**
Share of loss on joint ventures (IV)	37	-	(1.07)
Profit before exceptional items and tax (V) = (III-IV)		**374.53**	**499.91**
Exceptional items (VI)	42	-	(89.54)
Profit before tax (VII) = (V-VI)		**374.53**	**410.37**
Tax expense	10		
Current tax		96.03	194.00
Deferred tax		66.05	(109.06)
Total tax expense (VIII)		**162.08**	**84.94**
Profit for the year (IX) = (VII-VIII)		**212.45**	**325.43**
Other comprehensive income (OCI)			
A. Items that will be reclassified subsequently to profit or loss	30		
i) Share of OCI [cash flow hedge (net of tax)] of joint ventures		-	(0.53)
Net loss on cash flow hedges		(10.92)	(32.65)
Less: Income tax effect		2.75	11.15
		(8.17)	(22.03)
ii) Exchange differences on translating of foreign operations		11.44	0.46
		11.44	0.46
		3.27	**(21.57)**
B. Items that will not be reclassified subsequently to profit or loss	30		
Re-measurement (loss) of defined benefit plan		(14.98)	(0.20)
Less: Income tax effect		2.93	0.05
		(12.05)	**(0.15)**
Net other comprehensive income for the year (net of tax)		**(8.78)**	**(21.72)**
Total comprehensive income for the year		**203.67**	**303.71**
Profit for the year			
Attributable to :			
Equity holders of the parent		212.45	325.43
Non-controlling interest		-	-
Other comprehensive income for the year			
Attributable to :			
Equity holders of the parent		(8.78)	(21.72)
Non-controlling interest		-	-
Total comprehensive income for the year			
Attributable to :			
Equity holders of the parent		203.67	303.71
Non-controlling interest		-	-
Earning per equity share [Nominal value per share Rs.2/- (March 31, 2019: Rs.2/-)]	29		
Basic and Diluted		**18.87**	**28.90**
Summary of significant accounting policies	2		
Summary of significant accounting judgements, estimates and assumptions	3		

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

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

Consolidated statement of Changes in Equity for the year March 31, 2020

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

A Equity Share Capital

Particulars	Note No	March 31, 2020	March 31, 2019
Balance at the beginning of the year	14	22.52	22.52
Changes in equity shares capital during the year	14	-	-
Balance at the end of the year	14	**22.52**	**22.52**

B Other Equity

Particulars	Reserves and surplus					Other Reserves		Total Other equity
	General reserve	Capital reserve	Capital redemption reserve	Retained earnings	Securities premium	Foreign currency translation reserve	Cash flow hedge reserve	
As at April 1, 2018	**435.31**	**17.82**	**50.34**	**2,087.26**	**57.28**	**18.87**	**25.34**	**2,692.22**
Profit for the year	-	-	-	325.43	-	-	-	325.43
Other Comprehensive Income (net)	-	-	-	(0.15)	-	0.46	(22.03)	(21.72)
Total comprehensive income	**-**	**-**	**-**	**325.28**	**-**	**0.46**	**(22.03)**	**303.71**
Arising on account of acquisition (note 36)	-	77.30	-	-	-	-	-	77.30
Dividends paid	-	-	-	(67.57)	-	-	-	(67.57)
Dividend distribution tax paid	-	-	-	(13.89)	-	-	-	(13.89)
As at March 31, 2019	**435.31**	**95.12**	**50.34**	**2,331.08**	**57.28**	**19.33**	**3.31**	**2,991.77**
Profit for the year	-	-	-	212.45	-	-	-	212.45
Other Comprehensive Income (net)	-	-	-	(12.05)	-	11.44	(8.17)	(8.78)
Total comprehensive income	**-**	**-**	**-**	**200.40**	**-**	**11.44**	**(8.17)**	**203.67**
Redemption of preference shares	-	-	10.00	(10.00)	-	-	-	-
Dividends paid	-	-	-	(157.66)	-	-	-	(157.66)
Dividend distribution tax paid	-	-	-	(32.40)	-	-	-	(32.40)
As at March 31, 2020	**435.31**	**95.12**	**60.34**	**2,331.42**	**57.28**	**30.77**	**(4.86)**	**3,005.38**

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

Consolidated statement of Cash flow for the year ended March 31, 2020

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

		Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
A)	**Cash flows from operating activities**			
	Profit before tax (after exceptional item and share of joint ventures)		374.53	410.37
	Share of loss on joint ventures		-	(1.07)
	Profit before tax (before exceptional items and share of loss of joint ventures)		374.53	411.44
	Adjustments to reconcile profit before tax to net cash flows			
	Depreciation on property, plant and equipment and right-of-use assets	27	103.58	78.31
	Amortization of intangible assets	27	13.05	13.71
	Provision for impairment allowance of financial assets (net)	28	(2.00)	39.50
	Provision for impairment of PPE, intangible assets and goodwill	42	-	89.54
	Interest expense	26	8.61	9.70
	Bad debts/ advances written off	28	42.93	11.50
	Unwinding of discount on provisions	26	6.41	4.62
	Unrealized foreign exchange gain		(22.36)	(11.16)
	Interest income	22	(20.40)	(16.71)
	Dividend income	22	(5.51)	(4.59)
	Liabilities no longer required written back	22	(11.10)	(28.81)
	Fair value gain on financial instrument at fair value through profit and loss (net)	22	(47.24)	(77.51)
	(Gain)/ Loss on sale / discard of assets (net)	28	(5.49)	0.55
	Working capital adjustments			
	(Increase) / decrease in trade receivables		(44.56)	(130.28)
	(Increase) / decrease in inventories		54.06	(140.13)
	(Increase) / decrease in other financial assets		769.14	(654.01)
	(Increase) / decrease in other assets		105.19	(37.23)
	Increase / (decrease) in trade payables		(398.33)	329.32
	Increase / (decrease) in other liabilities		(485.39)	226.75
	Increase / (decrease) in provisions		9.60	(77.08)
	Increase / (decrease) in other financial liabilities		12.12	34.15
	Cash generated from operations		**456.84**	**71.58**
	Direct taxes paid (net of refunds received)		(131.26)	(187.00)
	Net cash inflow from/(used in) operating activities		**325.58**	**(115.42)**
B)	**Cash flows from /(used in) investing activities**			
	Purchase of property, plant and equipment, right-of-use assets and intangible assets (net of disposal)		(48.00)	(154.65)
	Investment in joint ventures		-	(103.04)
	(Investment) / proceeds in fixed deposits (net)		(145.72)	(43.32)
	Sale/ (purchase) of other investments (net)		1.38	546.53
	Interest and dividend received		23.83	20.00
	Net cash flows (used in)/from investing activities		**(168.51)**	**265.52**

Consolidated statement of Cash flow for the year ended March 31, 2020

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

		Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
C)	**Cash flows from/ (used in) financing activities**			
	(Repayment) / proceeds of borrowings (net)		(31.04)	25.62
	Interest paid		(8.52)	(9.70)
	Dividend paid and tax thereon		(190.06)	(81.29)
	Payment of lease liability		(2.83)	-
	Net cash flows (used in) financing activities		**(232.45)**	**(65.37)**
	Net increase / (decrease) in cash and cash equivalents		**(75.38)**	**84.73**
	Cash and cash equivalents at the beginning of the year		245.89	160.70
	Adjustment on account of acquisition (related to opening balance)		17.05	-
	Exchange differences on translation of foreign operations		11.44	0.46
	Cash and cash equivalents at the end of the year		**199.00**	**245.89**

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

	Note No.	March 31, 2020	March 31, 2019
Cash and cash equivalents	13 (a)	254.04	308.23
Cash and cash equivalents arising on account of acquisition		-	(17.05)
Bank overdraft		(47.37)	(31.40)
Book overdraft	18 (b)	(7.67)	(13.89)
Balances as per Cash flow statement		**199.00**	**245.89**

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

1. **Corporate information**

Thermax Limited ('the Holding Company' 'or the Company') and its subsidiaries (together referred to as 'the Group') and (joint ventures) offers solutions to energy, environment and chemical sectors. The Group's portfolio includes boilers and heaters, absorption chillers/ heat pumps, power plants, solar equipment, air pollution control equipment/system, water and waste recycle plant, ion exchange resins and performance chemicals and related services.

The Holding Company is a public limited company incorporated 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 authorized to issue these financial statements on June 18, 2020. The CIN of the Company is L29299PN1980PLC022787.

2. **Significant 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) as applicable.

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

The accounting policies adopted for preparation and presentation of these consolidated financial statements have been consistently applied except for changes resulting from amendments to Ind AS issued by the Ministry of Corporate Affairs, effective for financial years beginning on or after April 1, 2019 as disclosed in note 2.2.

(b) Basis of measurement

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

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

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

Notes to the consolidated financial statements for the year ended March 31, 2020

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

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

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.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Holding Company, i.e., year ended March 31, 2020.

Consolidation procedure

(a) 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 recognized in the consolidated financial statements at the acquisition date.

(b) 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.

(c) 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 recognized in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and

- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2. Changes in accounting policies and disclosures

2.2.1 Ind AS 116 - Leases

The Group has adopted Ind AS 116 w.e.f. April 1, 2019. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Ind AS 116 was issued on March 30, 2019 and supersedes Ind AS 17 on Leases. Ind AS 116 introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

a. Impact of the new definition of a lease

The Group used the practical expedient available in the transition to Ind AS 116 so as not to reassess whether a contract is or contains a lease, therefore, the lease definition set out in Ind AS 17 remained applicable to leases contracted or modified prior to April 1, 2019. The Group applied the lease definition and related guidance described in Ind AS 116 to all lease agreements entered or modified on or after April 1, 2019.

b. Impact on Lessee Accounting

(i) Former Operating Leases

Ind AS 116 changes how the Group accounts for leases previously classified as operating leases under Ind AS 17, which were off balance sheet.

Applying Ind AS 116, for all leases, the Group:

(a) Recognises right-of-use assets and lease liabilities in the consolidated financial statements of financial position, initially measured at the present value of the future lease payments;

(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in consolidated statements of profit and loss;

(c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated financial statements of cash flows.

Under Ind AS 116, right-of-use assets are tested for impairment in accordance with Ind AS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as laptop, printers, personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by Ind AS 116. This expense is presented within 'other expenses' in consolidated statements of profit and loss.

(ii) Former finance leases

The main differences between Ind AS 116 and Ind AS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. Ind AS 116 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by Ind AS 17. This change did not have a material effect on the Groups's consolidated financial statements.

c. Financial impact of the initial application of Ind AS 116

On transition to Ind AS 116, the Group has elected to adopt modified retrospective approach. Consequently, the Group recorded the lease liability at the value of future lease payment and right of use of asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. Under this approach, there were no material adjustments required to the retained earnings at April 1, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and Lease obligation of Rs. 181.5 crores and Rs. 16.3 crores respectively.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

2.2.2. Others

Several other amendments and interpretations apply for the first time for the year ended March 31, 2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

2.3 Summary of significant accounting policies

a. Business combinations and goodwill

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized 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 recognized and measured in accordance with Ind AS 12 ‘Income Taxes’ and Ind AS 19 ‘Employee Benefits’, respectively.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized 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 recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

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 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, 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 recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

b. Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of profit and loss reflects the Group's share of the results of operations of its joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. Unrealised gains and losses resulting from transactions between the Group and a joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Consolidated Statement of profit and loss.

The financial statements of the joint ventures are prepared for the same reporting period as the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, and then recognizes the loss as 'Share of loss of joint ventures' in the Consolidated Statement of profit or loss.

c. Current and non-current classification

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

d. Foreign currencies

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

Transactions and balances

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

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

Group companies

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

e. Fair value measurement

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

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

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

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

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

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

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

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

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

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

- Disclosures for significant judgements, estimates and assumptions (note 3)
- Quantitative disclosures of fair value measurement hierarchy (note 39)
- Financial instruments (including those carried at amortized cost) (note 39)

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.

f. Property, Plant and Equipment

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

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:

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Asset category	Group's estimate of useful life (years)	Useful life as prescribed under Schedule II (years)
Factory buildings	28 to 30	30
Other buildings	58	60
Plant and equipment	5 to 25	15 to 20
Roads	5 to 30	5 to 10
Office equipment	15	15
Furniture and fixtures	15	10
Computers and data processing units	4 to 6	3 to 6
Vehicles	7 to 10	8

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

g. **Intangible assets**

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

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

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

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

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 amortization and accumulated impairment losses, if any. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized 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. Amortization is recognized in the Statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

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

Asset category	Life (years)
Technical know-how	3 to 6
Computer software	3 to 5

h. Inventories

Raw materials, components, stores and spares are valued at lower of cost and estimated net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Finished goods and work in progress are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

i. Revenue recognition

i. Revenue from Contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. The 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 disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 3.

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 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 recognized over a period of time if any of the following criteria is met:

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

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

(c) The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

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

The Group uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred.

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

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

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

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

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

- **Revenue from Sale of goods**

If the criteria for revenue under over-a-period of time as mentioned above are not met, the Group recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the 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 recognized 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 recognized on a time proportion basis under the contracts.

Contract balances

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

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Also refer note 2.3(j) below.

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

ii. Interest income

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

iii. Dividend

Revenue is recognized when the Group's right to receive the payment is established.

iv. 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.

j. Financial instruments

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

Notes to the consolidated financial statements for the year ended March 31, 2020

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

Financial assets

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

i. Debt instruments at amortized cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance costs/income in the Consolidated Statement of profit and loss. The losses arising from impairment are recognized 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 categorization as at amortized cost or as FVTOCI is classified as FVTPL.

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

iii. Equity investments

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

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

Derecognition

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

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

Impairment of financial assets

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment allowance based on 12-month 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) recognized during the period is recognized as income/expense in the Consolidated Statement of profit and loss under the head 'other expenses' in the Consolidated Statement of profit and loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the 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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

All changes in fair value of financial liabilities classified as FVTPL is recognized in the 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 recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part on EIR. The EIR amortization is included as finance cost in the Consolidated Statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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

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

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

At the inception of a hedge relationship, the 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:

(i) Fair value hedges

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the Consolidated Statement of profit and loss as finance costs. The Group has not undertaken Fair value hedges.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the 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 recognized in consolidated statement of profit and loss.

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

l. Share held by ESOP and Welfare trusts

The Group has created ESOP Trust and 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 recognized at cost and deducted from equity.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Consolidated 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.

n. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in proportion to the depreciation charged over the expected useful life of the related asset. The Group accounts for export incentives for export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claims are fulfilled.

o. Share capital

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

p. Income tax

Current tax

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

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

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity (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.

q. Borrowing costs

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

r. Leases

Group as a lessee

The Group lease asset classes primarily consist of leases for land, office buildings, guest house and other office equipment. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liability includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

Lease liability and right-of-use assets 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.

Group as a lessor

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

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

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

s. Impairment of non-financial assets

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth 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 recognized in the Consolidated 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 recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Consolidated Statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at the year-end 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 recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

t. Provisions

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

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

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

Provision for onerous contracts

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

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 recognized as part of the cost of the particular asset. The unwinding of the discount is expensed as incurred and recognized in the Consolidated 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.

u. Retirement and other employee benefits

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

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

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

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

Past service costs are recognized in the Consolidated Statement of profit and loss on the earlier of:

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

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

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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

v. Segment Reporting

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

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

w. Contingent liability

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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.

x. Earnings Per Share (EPS)

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

y. **Dividends**

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

3. Significant accounting judgments, estimates and assumptions

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

3.1 Judgements

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

i. **Revenue from contracts with customers**

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

ii. **Consolidation**

Structured Entities

The Company has an ESOP trust and various Employee Welfare Trusts for the welfare of its employees. 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.

iii. **Arrangements in the nature of lease**

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. The Group has also determined, based on evaluation of terms and conditions of these arrangements, such as the contract term constituting a major part of the economic life of the specific assets and the fair value of the asset, that it has transferred the significant risks and rewards in these assets to the customers and therefore these embedded lease arrangements have been classified as finance leases. The separation of lease and non-lease elements in these arrangements have been made at relative fair value of these elements, requiring Management judgment.

iv. **Contingencies relating to tax and legal matters**

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

v. **Segment reporting**

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

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

vi. **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.

3.2 Estimates and assumptions

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

Estimation of uncertainties relating to the global health pandemic from Corona virus Disease (COVID 19):

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets such as investments, loans, receivables, unbilled revenues, inventories, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

i. **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 recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This requires an estimate of the amount of LDs payable under a claim which involves a number of management judgments and assumptions regarding the amounts to be recognized.
- **Project cost to complete estimates:** At each reporting date, the 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.
- **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. Refer note 19(b) for details for provision for onerous contract.

The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in the subsequent periods.

ii. **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget 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.

iii. **Defined benefit plans - gratuity**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter 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. Further details about gratuity obligations are given in note 33.

iv. Fair value measurement of unquoted financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of assumption is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 39 for further disclosures.

v. Warranty provision

The Group generally offers warranty for its various products. Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of warranty costs. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the 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. Refer note 19 for further details.

vi. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and timing of cash flows. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions including those related to the COVID-19 pandemic as well as forward looking estimates at the end of each reporting period.

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

vii. Useful lives of property, plant and equipment and intangible assets

The Group determines, based on independent technical assessment, the estimated useful lives of its property, plant and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates. Refer note 2.3(f) and 2.3(g) above for further details.

viii. Deferred taxes

At each balance sheet date, the Group assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted for any of the tax jurisdictions in which the Group operates. Refer note 10 for further information on potential tax benefits for which no deferred tax asset is recognized.

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Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

4 (a) Property, Plant and Equipment

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipment	Office equipment	Computer	Furniture and fixtures	Vehicles	Total	Capital work in progress
Gross carrying amount as at April 1, 2018*	**7.36**	**84.98**	**531.07**	**675.94**	**42.48**	**50.85**	**37.63**	**12.47**	**1,442.78**	**103.37**
Additions	-	3.64	94.50	88.06	5.51	6.40	5.74	2.84	**206.69**	143.44
Adjustment on account of acquisition	-	43.18	179.52	87.13	1.05	0.10	0.19	0.16	**311.33**	-
Disposals/Transfers/Adjustments	-	-	(0.01)	(13.64)	(1.79)	(2.54)	(1.88)	(1.46)	**(21.32)**	(206.69)
Exchange differences	-	(1.69)	(0.43)	(1.19)	(0.07)	0.11	(0.13)	0.08	**(3.32)**	-
Gross carrying amount as at March 31, 2019	**7.36**	**130.11**	**804.65**	**836.30**	**47.18**	**54.92**	**41.55**	**14.09**	**1,936.16**	**40.12**
Additions	-	-	11.40	27.53	2.39	7.62	2.47	5.47	**56.88**	72.02
Disposals/Transfers/Adjustments	-	(130.11)	(40.33)	(64.01)	(5.24)	(2.39)	(3.74)	(2.09)	**(247.91)**	(56.88)
Exchange differences	-	-	3.70	2.57	0.39	(0.02)	0.03	0.01	**6.68**	-
Gross carrying amount as at March 31, 2020	**7.36**	**-**	**779.42**	**802.39**	**44.72**	**60.13**	**40.31**	**17.48**	**1,751.81**	**55.26**
Accumulated depreciation and impairment as at April 1, 2018*	-	**5.18**	**122.28**	**396.53**	**23.62**	**44.87**	**22.12**	**7.46**	**622.06**	-
Charge for the year	-	1.10	23.27	46.89	3.08	1.98	1.25	0.74	**78.31**	-
Impairment	-	-	-	1.76	0.03	0.07	0.15	-	**2.01**	-
Disposals/Transfers/Adjustments	-	-	-	(11.43)	(1.29)	(2.54)	(1.68)	(1.42)	**(18.36)**	-
Exchange differences	-	(0.09)	(0.96)	(1.68)	0.61	(0.53)	0.11	(0.30)	**(2.84)**	-
Accumulated depreciation and impairment as at March 31, 2019	-	**6.19**	**144.59**	**432.07**	**26.05**	**43.85**	**21.95**	**6.48**	**681.18**	-
Charge for the year	-	-	26.97	61.44	2.89	3.71	2.55	1.80	**99.36**	-
Disposals/Transfers/Adjustments	-	(6.19)	(19.04)	(51.05)	(4.53)	(2.26)	(3.23)	(1.74)	**(88.04)**	-
Exchange differences	-	-	1.40	2.50	0.33	(0.01)	(0.01)	0.01	**4.22**	-
Closing accumulated depreciation and impairment as at March 31, 2020	-	-	153.92	444.96	24.74	45.29	21.26	6.55	**696.72**	-
Net Block as at March 31, 2020	**7.36**	**-**	**625.50**	**357.43**	**19.98**	**14.84**	**19.05**	**10.93**	**1,055.09**	**55.26**
Net Block as at March 31, 2019	**7.36**	**123.92**	**660.06**	**404.23**	**21.13**	**11.07**	**19.60**	**7.61**	**1,254.98**	**40.12**

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

Capital work in progress majorly includes expenditure towards extension of manufacturing facilities.

The Group has given certain part of its office building / equipment on lease, the aggregate value of which can not be determined but would not be significant. (note 32 (i)(b)).

For assets given as collateral as security, refer note 16.

Capitalisation of expenses

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

Particulars	March 31, 2020	March 31, 2019
Salaries and wages	0.10	1.56
Raw material and components	0.16	5.86
Others	0.74	1.98
Total	**1.00**	**9.40**

Notes to the consolidated financial statements for the year ended March 31, 2020

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

4 (b) Right-of-use assets

Particulars	Land	Building	Vehicle	Total
Gross carrying amount as at April 1, 2018	**-**	**-**	**-**	**-**
Additions	-	-	-	**-**
Disposals/Transfers/Adjustments	-	-	-	**-**
Exchange differences	-	-	-	**-**
Gross carrying amount as at March 31, 2019	**-**	**-**	**-**	**-**
Additions	40.45	14.01	2.29	**56.75**
Disposals/Transfers/Adjustments	124.78	-	-	**124.78**
Exchange differences	(1.81)	0.38	0.14	**(1.29)**
Gross carrying amount as at March 31, 2020	**163.42**	**14.39**	**2.43**	**180.24**
Accumulated depreciation and impairment as at April 1, 2018	**-**	**-**	**-**	**-**
Charge for the year	-	-	-	**-**
Disposals/Transfers/Adjustments	-	-	-	**-**
Exchange differences	-	-	-	**-**
Accumulated depreciation and impairment as at March 31, 2019	**-**	**-**	**-**	**-**
Charge for the year	1.69	2.03	0.50	**4.22**
Disposals/Transfers/Adjustments	6.19	-	-	**6.19**
Exchange differences	0.06	0.07	0.03	**0.16**
Closing accumulated depreciation and impairment as at March 31, 2020	**7.94**	**2.10**	**0.53**	**10.57**
Net Block as at March 31, 2020	**155.48**	**12.29**	**1.90**	**169.67**
Net Block as at March 31, 2019	**-**	**-**	**-**	**-**

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 32 for further disclosure on leases.

Details of assets held under finance lease as a lessee (vehicles, plant and equipments and office equipments) (disclosure pursuant to erstwhile Ind AS 17):

Particulars	March 31, 2019
Assets held under finance lease - cost	6.55
Assets held under finance lease - accumulated depreciation	(0.99)
Net block	**5.56**

Notes to the consolidated financial statements for the year ended March 31, 2020

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

4 (c) Intangible assets and Goodwill

Particulars	Computer Software	Technical know-how#	Goodwill	Total	Intangible assets under development
Gross carrying amount as at April 1, 2018*	**61.57**	**80.06**	**156.86**	**298.49**	**-**
Additions	4.79	3.17	-	**7.96**	7.96
Adjustment on account of acquisition	0.05	-	-	**0.05**	-
Disposals/Transfers/Adjustments	(0.38)	-	-	**(0.38)**	(7.96)
Exchange difference	(0.05)	0.77	(6.71)	**(5.99)**	-
Gross carrying amount as at March 31, 2019	**65.98**	**84.00**	**150.15**	**300.13**	**-**
Additions	10.21	1.64	-	**11.85**	12.59
Disposals/Transfers/Adjustments	(0.21)	-	-	**(0.21)**	(11.85)
Exchange difference	0.30	0.34	10.98	**11.62**	-
Gross carrying amount as at March 31, 2020	**76.28**	**85.98**	**161.13**	**323.39**	**0.74**
Accumulated amortisation as at April 1, 2018*	**51.49**	**60.34**	**34.70**	**146.53**	**-**
Charge for the year	6.02	7.69	-	**13.71**	-
Impairment	0.02	-	87.51	**87.53**	-
Disposals/Transfers/Adjustments	(0.32)	-	-	**(0.32)**	-
Exchange difference	0.22	0.71	(5.13)	**(4.20)**	-
Accumulated amortisation as at March 31, 2019	**57.43**	**68.74**	**117.08**	**243.25**	**-**
Charge for the year	5.37	7.68	-	**13.05**	-
Disposals/Transfers/Adjustments	(0.19)	-	-	**(0.19)**	-
Exchange difference	0.20	0.12	8.74	**9.06**	-
Closing accumulated amortisation and impairment as at March 31, 2020	**62.81**	**76.54**	**125.82**	**265.17**	**-**
Net Block as at March 31, 2020	**13.47**	**9.44**	**35.31**	**58.22**	**0.74**
Net Block as at March 31, 2019	**8.55**	**15.26**	**33.07**	**56.88**	**-**

Net Block	March 31, 2020	March 31, 2019
Goodwill	35.31	33.07
Other intangible assets	22.91	23.81

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

Includes internally developed assets of net block Rs. 6.33 (March 31, 2019 : Rs. 11.23)

4(d) Impairment tests for goodwill

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

Particulars	March 31, 2020	March 31, 2019
Danstoker A/S	32.28	30.04
Others	3.03	3.03
	35.31	33.07

The Group performed its annual impairment test for years ended March 31, 2020 and March 31, 2019 at the respective year-end.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

Danstoker A/S

The recoverable value of Danstoker A/S (CGU) as at March 31, 2020, has been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period.

The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 7.52% p.a. (March 31, 2019: 7.52% p.a.) and cash flows beyond the 5-year period have been extrapolated using a 2% p.a. growth rate (March 31, 2019: 2% p.a.) which is based on long-term industry average growth rate for the CGU. As a result of this analysis, the management concluded that the recoverable value of CGU exceeds the carrying value of CGU (including goodwill). Hence, management has not recognised any impairment charge during the current year against goodwill.

Key assumptions used and sensitivity impact

The calculation of value in use is most sensitive to the following assumptions:

1 Sales Growth rate

2 Discount rate

Sales growth rate - Sales growth rate has been considered at an average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. Prices included in revenue forecasts include long-term inflation forecasts. The Management has considered an average sales growth rate of 4.9% p.a. over the forecast period. A decline of 20% in the average sales growth rate will result in impairment charge for goodwill.

Discount rate - Discount rate represents the current market assessment of the risks specific to Danstoker A/S, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and Danstoker A/S and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future taxes in order to reflect a pre-tax discount rate. A rise in discount rate to 9.52% p.a. will (i.e. increase by 2%) result in impairment charges for goodwill.

The Management has considered and assessed reasonably possible changes including any possible impact of outbreak of Coronavirus Disease (COVID-19) for other key assumptions and have not identified any instances that could cause the carrying amount of CGU exceeds recoverable amount leading to an impairment that should be recognised.

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

5 Non-current investments

Particulars	Face value per share/ unit	Number of shares / units		Amount	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investments in equity instruments :					
Investments at Fair Value through Profit and Loss					
Quoted equity shares (fully paid up)					
Metroglobal Limited	Rs. 10	2	2	**	**
Sanghvi Movers Limited	Rs. 2	16,453	16,453	0.08	0.18
Quoted equity shares (partly paid up)					
Parasrampuria Synthetics Limited	Rs. 10	125,000	125,000	**	**
(paid up Rs. 2.50 per share)					
Unquoted equity shares (fully paid up)					
Cosmos Co-operative Bank Limited	Rs. 20	-	1,375	-	**
GSL (India) Limited	Rs. 10	17,539	17,539	**	**
Sicom Limited #	Rs. 10	10,000	10,000	-	-
Total investment in equity shares				**0.08**	**0.18**
Investment in preference shares:					
Investments at Fair Value through Profit and Loss					
Unquoted preference shares (fully paid up, redeemable)					
Indian Food Fermentation Limited (18% cumulative)#	Rs. 10	21,800	21,800	-	-
Total investment in preference shares				-	-
Investments in Mutual Funds:					
Investments at Fair Value through Profit and Loss					
Unquoted					
ABSL Fixed Term Plan Series OY (1218 Days) Direct Growth	Rs. 10	20,000,000	20,000,000	23.85	21.88
SBI Debt Fund Series C – 7 (1190 Days) - Direct - Growth	Rs. 10	15,000,000	15,000,000	17.77	16.33
SBI Debt Fund Series C – 27 (1260 Days) - Direct - Growth	Rs. 10	15,000,000	15,000,000	17.43	15.89
Total investments in Mutual Funds				**59.05**	**54.10**
Total Non-Current Investments				**59.13**	**54.28**
Aggregate amount of quoted investments (Book value)				0.08	0.18
Aggregate amount of quoted investments (Market value)				0.08	0.18
Aggregate amount of unquoted investments				59.05	54.10
Aggregate amount of impairment in the value of investments				-	-

** represents amount less than a lakh rupees

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

Investments at fair value through profit or loss reflect investment in quoted and unquoted equity and debt securities. Refer note 39 for determination of their fair values.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

6 Current Investments

Particulars	Face value per share	Number of units		Amount	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investments in Mutual Funds :					
Investments at Fair value through Profit and Loss					
Liquid/ Liquid Plus and Duration funds (Unquoted)					
Aditya Birla Sun Life Money Manager Fund Growth- Regular	Rs. 100	4,866,314	5,310,993	130.98	132.96
Aditya Birla Sun Life Money Market Fund-Growth-Direct Plan	Rs. 100	-	2,465,622	-	62.06
Aditya Birla Sun Life Overnight Fund-Growth-Direct Plan	Rs. 1,000	279,875	-	30.23	-
Aditya Birla Sun Life Liquid Fund - Direct - Growth	Rs. 100	32,146	248,305	0.88	7.26
Axis Overnight Fund Direct Growth	Rs. 1,000	238,487	-	25.17	-
DSP Liquidity Fund- Direct Plan - Weekly Dividend	Rs. 1,000	-	50,028	-	5.01
DSP Liquidity Fund Direct Growth	Rs. 1,000	33	47,741	0.01	12.77
DSP Overnight Fund - Direct Growth	Rs. 1,000	486,536	-	52.00	-
DSP Overnight Fund - Regular Growth	Rs. 1,000	531,025	-	56.68	-
HDFC Overnight Fund - Direct Plan - Growth Option	Rs. 1,000	166,163	-	49.34	-
HDFC Overnight Fund - Regular Plan - Growth	Rs. 1,000	33,846	-	10.00	-
HDFC Liquid Fund - Direct Plan- Growth Option	Rs. 1,000	138	12,818	0.05	4.71
HDFC Liquid Fund - Direct Plan - Dividend Weekly	Rs. 1,000	-	439,685	-	45.41
HDFC FMP 1167D January 2016 (1) - Direct - Growth - Series - 35	Rs. 10	-	25,000,000	-	32.06
ICICI Prudential Overnight Fund-Direct-Growth	Rs. 100	2,906,181	-	31.31	-
ICICI Prudential Money Market Fund - Growth	Rs. 100	4,673,316	5,026,877	129.69	130.11
ICICI Prudential Money Market Fund - Direct Plan- Growth	Rs. 100	-	1,897,475	-	49.37
ICICI Prudential Money Market Fund - Direct Plan - Daily Dividend	Rs. 100	-	2,665	-	0.03
ICICI Prudential Liquid Fund -Direct Plan- Growth	Rs. 100	143,659	173,795	4.22	4.81
IDFC Overnight Fund Direct Plan-Growth	Rs. 1,000	190,797	-	20.30	-
IDFC Overnight Fund Regular Plan-Growth	Rs. 1,000	237,787	-	25.30	-
Kotak Overnight Fund Direct - Growth	Rs. 1,000	159,800	-	17.03	-
Kotak Overnight Fund Growth (Regular Plan)	Rs. 1,000	394,371	-	42.01	-
Kotak Liquid Fund - Direct Plan- Growth	Rs. 1,000	6	23,431	**	8.87
Kotak Liquid Regular Plan Daily Dividend	Rs. 1,000	-	483	-	0.06
Kotak Money Market Scheme - Direct Plan- Growth	Rs. 1,000	-	67,988	-	20.98
Kotak Liquid Direct Plan Weekly Dividend	Rs. 1,000	-	453,390	-	45.64
L&T Liquid Fund - Direct Plan- Growth	Rs. 1,000	51	11,977	0.01	3.06
L&T Liquid Fund - Direct Plan -Weekly Dividend	Rs. 1,000	-	151,893	-	15.22
Nippon India Overnight Fund	Rs. 100	752,587	-	8.07	-
Reliance Money Market Fund- Direct Growth Plan Growth Option	Rs. 1,000	-	23,805	-	6.76
SBI Magnum Ultra Short Duration Fund Direct Growth	Rs. 1,000	-	6,237	-	2.60
SBI Overnight Fund Direct Growth	Rs. 1,000	113,427	-	36.91	-
SBI Liquid Fund - Regular Plan- Growth	Rs. 1,000	-	29,212	-	8.52
SBI Liquid Fund - Direct Plan- Growth	Rs. 1,000	2,132	44,776	0.66	13.11
SBI Liquid Fund Direct Weekly Dividend	Rs. 1,000	-	145,549	-	15.45
Tata Liquid Fund Direct Plan - Growth	Rs. 1,000	5,123	15,089	1.60	4.45
Tata Money Market Fund - Direct Growth	Rs. 1,000	-	22,630	-	6.84
UTI Overnight Fund Direct Growth	Rs. 1,000	36,700	-	10.03	-
UTI Liquid Cash Plan - Regular Growth Plan	Rs. 1,000	396,606	412,558	128.40	125.83
UTI Liquid Cash Plan - Direct Growth	Rs. 1,000	15,956	36,018	5.19	11.02
UTI Liquid Cash Plan- Direct Daily Dividend Plan Reinvestment	Rs. 1,000	-	878	-	0.09
Total Investments in mutual funds				**816.07**	**775.06**
Aggregate amount of quoted investments and market value thereof				-	-
Aggregate amount of unquoted investments				816.07	775.06
Aggregate amount of impairment in the value of investments				-	-

Investments at fair value through profit or loss reflect investment in unquoted equity and debt securities. Refer note 39 for determination of their fair values.

** represents amount less than a lakh rupees

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

7 Trade receivables

(a) Non-current trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables from:		
i) Related parties (note 35)	-	-
ii) Others	92.13	60.40
Total	**92.13**	**60.40**
Break-up for security details		
Secured, considered good	-	-
Unsecured, considered good	111.36	92.93
Trade receivables which has a significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	111.36	**92.93**
Less: Impairment allowance	(19.23)	(32.53)
Total	**92.13**	**60.40**

(b) Current trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables from:		
i) Related parties (note 35)	**	0.07
ii) Others	1,386.33	1,378.06
Total	**1,386.33**	**1,378.13**
Break-up for security details		
Secured, considered good	261.63	208.36
Unsecured, considered good	1,471.63	1,494.11
Trade receivables which has a significant increase in credit risk	52.68	64.62
Trade receivables - credit impaired	33.90	31.45
	1,819.84	**1,798.54**
Less: Impairment allowance	(433.51)	(420.41)
Total	**1,386.33**	**1,378.13**

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.
Provision amounting to Rs. 52.68 (March 31, 2019 : Rs. 56.76) is already taken in books for trade receivables which have a significant increase in credit risk.
For terms and conditions relating to related party receivables, refer note 35.
Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days.
** represents amount less than a lakh rupees

Notes to the consolidated financial statements for the year ended March 31, 2020

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

8 Loans

(a) Non-current loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
At amortized cost		
Loans to employees	7.47	7.41
Security deposits*	10.73	11.92
Total	**18.20**	**19.33**

(b) Current loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
At amortized cost		
Loans to employees	1.54	2.03
Security deposits*	4.40	5.10
Total	**5.94**	**7.13**

*Includes lease deposits given to directors of Rs. 0.18 (March 31, 2019 : Rs. 0.53). The maximum amount due from directors during the year amounted to Rs. 0.18 (March 31, 2019 Rs. 0.53), refer note 35. This also includes deposits given to various other parties for rent, utilities etc.

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

(a) Other non current financial assets

	As at March 31, 2020	As at March 31, 2019
Bank deposits with maturity of more than 12 months #	38.93	54.45
Total	**38.93**	**54.45**

Includes bank deposits includes Rs. 0.05 (March 31, 2019 : Rs. 0.15) which are pledged as margin money.

Includes deposits of Rs. 1.01 (March 31, 2019 : Nil), which are against a charge, are for a term less than 12 months and shall be renewed on maturity as these are given against a borrowing.

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

(b) **Other current assets**

	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	2.00	40.40
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	2.48	7.49
At amortized cost		
Export incentive receivable	69.05	49.82
Interest accrued on bank deposits and others	5.39	3.31
Unbilled revenue (contract assets)^	347.30	1,120.89
Others	4.99	-
Total	**431.21**	**1,221.91**

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 impairment allowance of Rs. 17.46 (March 31, 2019: Rs. 19.26).

10 Income taxes

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:

Statement of profit and loss

Particulars	**Year Ended March 31, 2020**	**Year Ended March 31, 2019**
Current tax		
Current income tax	96.03	194.00
Deferred tax		
Relating to origination and reversal of temporary differences	66.05	(109.06)
Income tax expense reported in the consolidated statement of profit and loss	**162.08**	**84.94**

During the year, deferred tax assets amounting to Rs. Nil (March 31, 2019 : Rs. 94.13) has been accounted on the basis of assessment of probability of deductibility of brought forward unabsorbed losses and depreciation of Thermax Babcock & Wilcox Energy Solutions Private Limited (a wholly owned subsidiary) against future taxable profits.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

Other comprehensive income

Particulars	March 31, 2020	March 31, 2019
Deferred tax related to items recognised in other comprehensive income during the year		
Net loss on revaluation of Cash flow hedge	(2.75)	(11.15)
Net loss on remeasurements of defined benefit plans	(2.93)	(0.05)
Deferred tax credit in other comprehensive income	**(5.68)**	**(11.20)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

Particulars	March 31, 2020	March 31, 2019
Accounting profit before tax (before exceptional items)	374.53	499.91
Share of loss of joint ventures	-	(1.07)
Accounting profit before tax (before exceptional items and share of loss of joint ventures)	374.53	500.98
At India's statutory income tax rate (as per Income Tax Act, 1961) of 25.17% (March 31, 2019: 34.944%)	94.27	175.06
Effects of income not subject to tax	(1.19)	(1.71)
Weighted deduction on research and development expenses	-	(2.44)
Deferred tax recognised on unabsorbed losses of earlier years	-	(94.13)
Unrecognized tax benefits on tax losses	4.47	6.90
Taxes paid / payable on repatriation of branch profits	2.57	1.45
Impact of change in statutory income tax rate#	62.11	-
Others (includes effect of non-deductible business expenses and tax rate difference).	(0.15)	(0.20)
Effective tax	162.08	84.94
Income tax expense reported in the consolidated statement of profit or loss	**162.08**	**84.94**

#The Holding Company and its Indian subsidiaries has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income-tax Act, 1961. Accordingly, (a) the current and deferred tax expense for the year ended March 31, 2020, has been determined at the rate of 25.17% and (b) the deferred tax assets as at April 1, 2019, (on brought forward losses and other items) have been written down considering the enacted rate of 25.17%.

Deferred tax

Statement of profit and loss

Particulars	March 31, 2020	March 31, 2019
Deferred tax relates to the following:		
Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purposes	(28.33)	48.66
Deferred tax utilized / (recognised) on unabsorbed losses of earlier year	40.15	(134.77)
Provision for doubtful debts, advances and liquidated damages	51.31	(14.51)
Employee benefit obligations	1.11	(1.43)
Fair value gains on investment classified as fair value through profit and loss	3.06	(14.20)
Temporary differences due to accounting treatment as required by Income tax standards	1.32	15.59
Items allowed on payment basis	2.69	(4.37)
Others*	(5.26)	(4.03)
Deferred tax expense	**66.05**	**(109.06)**

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

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Balance sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax relates to the following:		
Impact of difference between tax depreciation and depreciation/amortisation charged for financial reporting purposes	(86.23)	(114.56)
Losses available for offsetting against future taxable income	94.62	134.77
Revaluation of cash flow hedges	1.69	(1.51)
Provision for doubtful debts, advances and liquidated damages	123.32	174.63
Items allowed on payment basis	8.40	11.09
Employee benefit obligations	17.41	15.59
Fair value gains on investments classified as fair value through profit and loss	(14.40)	(11.34)
Temporary differences in accounting treatment as required by Income tax standards	3.12	4.44
Others*	3.02	(1.09)
Net deferred tax assets	**150.95**	**212.02**

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

Reconciliation of deferred tax assets (net)

	March 31, 2020	March 31, 2019
Opening balance	**212.02**	**91.71**
Tax (expense)/ income during the period recognised in profit or loss	(66.05)	109.06
Tax (expense)/ income during the period recognised in OCI	5.68	11.20
Currency translation effect	(0.70)	0.05
Closing balance	**150.95**	**212.02**

Break up of gross deferred tax assets/liabilities

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	155.36	221.92
Deferred tax liabilities	(4.41)	(9.90)
Net deferred tax assets	**150.95**	**212.02**

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

The Group has tax losses of Rs. 132.33 (March 31, 2019: Rs. 105.42) 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, 2028. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, 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. 33.25 (March 31, 2019: Rs. 26.69).

At March 31, 2020, there is deferred tax liability of Rs. 1.84 (March 31, 2019: Rs. 2.86) for taxes that would be payable on the unremitted earnings of the Group's branches. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

During the year ended March 31, 2020 and March 31, 2019, the Holding Company has paid dividend to its shareholders. This has resulted in payment of dividend distribution taxes (DDT) to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

11. Other assets

(a) Other non-current assets

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advance to suppliers	0.28	4.59
Capital advance	2.50	2.78
Balances with government authorities	83.83	111.54
Prepayments	0.77	40.74
Total	**87.38**	**159.65**

(b) Other current assets

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Advance to suppliers	150.05	186.65
Advance to employees	8.25	8.79
Prepayments	17.63	10.99
Balances with government authorities	203.63	237.78
Prepaid employee benefits (note 33)	5.06	9.92
Others*	9.83	12.22
Total	**394.45**	**466.35**

*Others include interest due on tax refunds, other recoveries of expenses, etc.

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 (valued at lower of cost and net realisable value)

	As at March 31, 2020	As at March 31, 2019
Raw materials, components and bought-outs **	276.27	345.73
Work-in-progress	104.52	91.84
Finished goods	54.30	52.04
Stores and spares	10.95	10.12
Traded goods	8.52	8.89
Total	**454.56**	**508.62**

**Includes goods in transit Rs. 6.61 (March 31, 2019 : Rs. 16.85)

For the year ended March 31, 2020 Rs. 12.05 (March 31, 2019 : Rs. 5.70) was recognised (net of reversals) as an expense for inventories carried at net realisable value. These were recognised as an expense during the year and included in cost of raw materials and components consumed in the Consolidated Statement of profit and loss.

Inventories amounting to Rs. 8.91 (March 31, 2019 Rs. Nil) has been hypothecated against borrowings.

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

13 (a) Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- in current accounts	157.48	278.32
- in deposits with original maturity of less than three months	95.39	24.75
Cheques, drafts on hand	0.77	4.76
Cash on hand	0.40	0.40
Total	**254.04**	**308.23**

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

Cash and cash equivalents include Rs. 12.87 (March 31, 2019 : Rs. 13.59) held by irrevocable trust controlled by the Group.

This includes bank balances of Rs. 8.86 (March 31, 2019 Rs. 17.61) at branches which can be used freely for business in those countries. For any repatriation to India, these are subject to repatriation taxes as per the local laws of those countries.

There are repatriation restrictions for usage of Rs.Nil (March 31, 2019 : Rs. 26.53) of cash and cash equivalents as at the end of the reporting year.

13 (b) Other bank balances

	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity of more than 3 months but less than 12 months*	221.09	59.85
Unpaid dividend account (restricted)	0.97	0.98
Total	**222.06**	**60.83**

*includes deposits placed with bank amounting Rs. 10.85 (March 31, 2019 : Rs. Nil) against revenue grant received during current year.

13 (c) Changes in liabilities arising from financing activities

Particulars	Borrowings	Unpaid dividend	Lease obligation
As on April 1, 2018	185.97	0.81	-
Cash flow (Net)	25.62	-	-
Unrealized foreign exchange (gain)/ loss	(2.73)	-	-
Other	-	0.17	-
As on March 31, 2019	**208.86**	**0.98**	
Cash flow (net)	(31.04)	-	-
Unrealized foreign exchange (gain)/ loss	5.10	-	-
Other*	-	(0.01)	14.21
As on March 31, 2020	**182.92**	**0.97**	**14.21**

*Lease obligation includes new lease.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

14 Share capital

	As at March 31, 2020	As at March 31, 2019
Authorized shares		
375,000,000 (March 31, 2019: 375,000,000) equity shares of Rs. 2/- each..	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid share capital		
119,156,300 (March 31, 2019: 119,156,300) equity shares of Rs. 2/- each.	23.83	23.83
Less: 6,541,440 (March 31, 2019: 6,541,440) equity shares held by Trusts of Rs. 2/- each.	(1.31)	(1.31)
Total issued, subscribed and fully paid-up share capital	**22.52**	**22.52**

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

	No. of shares	Rs.
Equity share of Rs. 2 each issued, subscribed and fully paid		
As at April 1, 2018	112,614,860	22.52
Changes during the year	-	-
As at March 31, 2019	112,614,860	22.52
Changes during the year	-	-
As at March 31, 2020	**112,614,860**	**22.52**

(b) Terms/ rights attached to equity shares

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

(c) Equity share capital held by Ultimate Holding Company

	As at March 31, 2020	As at March 31, 2019
Ultimate Holding company		
RDA Holding and Trading Private Limited, India	12.87	12.87
64,328,500 (March 31, 2019: 64,328,500) equity shares of Rs. 2/- each fully paid		

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

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

	As at March 31, 2020	As at March 31, 2019
RDA Holding and Trading Private Limited, India		
%	53.99	53.99
No. of shares	64,328,500	64,328,500
ARA Trusteeship Company Private Limited, India		
%	7.99	7.99
No. of shares	9,520,805	9,520,805

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.

15 (a) Other equity

	As at March 31, 2020	As at March 31, 2019
Reserves and surplus		
Capital redemption reserve		
Opening balance	50.34	50.34
Add: Redemption of preference shares of a subsidiary	10.00	-
Closing balance	60.34	50.34
Securities premium	57.28	57.28
Capital reserve		
Opening balance	95.12	17.82
Add : Arising on account of acquisitions (note 36)	-	77.30
Closing balance	95.12	95.12
General reserve	435.31	435.31
Retained earnings		
Opening balance	2,331.08	2,087.26
Add: Profit for the year	212.45	325.43
Less: Dividends paid	78.83	67.57
Less: Tax on dividend	16.20	13.89
Less: Interim Dividend paid	78.83	-
Less: Tax on interim dividend	16.20	-
Less: Adjustment on account of redemption of preference shares in a subsidiary	10.00	-
Movement during the year	12.39	243.97

Notes to the consolidated financial statements for the year ended March 31, 2020

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

Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement loss on defined benefit plans, net of tax Rs.2.93 (March 31, 2019 : Rs. 0.05)	(12.05)	(0.15)
Net surplus in the Statement of profit and loss	**2,331.42**	**2,331.08**
Total Reserves and Surplus	**2,979.47**	**2,969.13**
Other Reserves		
Cash flow hedge reserve		
Opening balance	3.31	25.34
Add: Movement during the year (net)	(10.92)	(32.65)
Less: Tax on above movement	2.75	11.15
Add: Share of hedge reserve of joint venture (net of tax)	-	(0.53)
Closing balance	**(4.86)**	**3.31**
Foreign currency translation reserve		
Opening balance	19.33	18.87
Add: Movement during the year (net)	11.44	0.46
Closing balance	**30.77**	**19.33**
Total	**3,005.38**	**2,991.77**

Capital redemption reserve

Pertains to reserve created towards redemption of debentures and can be utilised in accordance with the provisions of the Act.

Securities premium

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

Capital reserve

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

General reserve

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

Cash flow hedge reserve

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

Foreign currency translation reserve

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

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

15 (b) Distribution made and proposed

	March 31, 2020	March 31, 2019
Cash dividend on equity shares declared and paid by Holding company:		
Final dividend for the year ended 2018-2019: Rs. 7 per share		
(2017-2018: Rs.6 per share) (gross of consolidation adjustments)	83.41	71.49
Interim dividend for the year ended 2019-2020: Rs 7 per share (2018-2019: Rs. Nil per share)	83.41	-
Dividend Distribution Tax on the above	32.37	12.64
	199.19	**84.13**

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at the reporting date.

Proposed dividend of Holding Company on equity shares:		
Proposed dividend for the year ended 2019-2020: Rs. Nil per share	-	83.41
(2018-2019: Rs.7 per share)		
Dividend Distribution Tax on the above	-	17.15
Total	**-**	**100.56**

16 Borrowings

(a) Non current borrowings

	As at March 31, 2020	As at March 31, 2019
At amortized cost		
Term loans (from banks)		
Secured loans	50.53	46.31
Term loans (other than banks)		
Secured loans	1.61	4.04
Lease obligation (note 32 (iii))	-	4.91
Total non-current borrowings	**52.14**	**55.26**
Less: amount disclosed under the head "Other current financial liabilities" (note 18 (b))		
- Current maturities of Term Loans	(18.75)	(19.07)
- Current maturities of finance lease obligation	-	(1.12)
Total	**33.39**	**35.07**

Secured loans from banks includes:

- Foreign currency loans from banks Rs. 38.41 (March 31,2019 : Rs. 46.31) are repayable on a quarterly / semi - annual / annual basis over a period of seventeen years. Land and building with a carrying value of Rs. 27.67 (March 31, 2019 : Rs. 26.69) and letter of comfort from Holding Company has been provided as collateral for these borrowings. These loans carry an annual interest rate of 1% - 5% p.a. (March 31, 2019 : 1% -5% p.a.)

- Indian rupee loan from bank Rs. 12.12 (March 31, 2019 : Rs. Nil) has been availed for 60 months and it is repayable in 48 monthly instalments along with interest, from the date the moratorium period ends. The loan has a moratorium period of 12 months for

Notes to the consolidated financial statements for the year ended March 31, 2020

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

repayment of principal. The loan is secured by first charge on plant and equipment (finance lease receivable) and deposit amounting Rs. 1.01 (March 31, 2019 : Rs. Nil). This loan carries an effective interest rate ranging between 8.3% - 8.7% p.a. (March 31, 2019 : Nil).

Secured loans from others include:

- Outstanding loan of Rs. 1.61 (March 31, 2019 : Rs. 1.24) from mortgage credit institutions are repayable on monthly basis from April 2018 over a period of three years. The loan is secured by first charge on plant and machinery with a carrying value of Rs. 0.01 (March 31, 2019 : Rs. 2.64), present and future stock of inventories and stores and spares not related to plant and equipment, book debts and other moveable assets. The loan carries an annual interest rate of 10.90 % - 11.00% p.a. (March 31, 2019 : 10.90% p.a.).

- Outstanding loan of Rs. Nil (March 31, 2019 : Rs. 2.80) from mortgage credit institutions was repayable on monthly basis from April 2015 over a period of five years. The loan was secured by first charge on plant and equipment and escrow of cash flow for the specific project for which such facility has been availed. The loan carries an annual interest rate of Nil (March 31, 2019 : 9.90% - 11.10% p.a.).

(b) Current borrowings

	As at March 31, 2020	As at March 31, 2019
At amortized cost		
Loans (from banks)		
Secured loans	114.19	110.00
Unsecured loans	63.96	75.00
Total	**178.15**	**185.00**

Secured loans from banks includes working capital facilities viz. bank overdraft, cash credit and acceptances for bills discounted by suppliers which are repayable in 60 to 120 days. Loans 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 . For one of the subsidiaries, plant and equipment with a carrying value of Rs. 6.49 (March 31, 2019 : Rs. 8.14) has been provided as collateral for these borrowings.

Unsecured loan pertains to packing credit of Rs. 63.96 (March 31, 2019: Rs. 75) that carries an interest rate of 4.50% - 5.30% p.a.(March 31, 2019 : 5.5% p.a.) due for repayment within 280 days from date of disbursement or expected shipment date whichever is earlier.

17 Trade payables

(a) Non current trade payables

	As at March 31, 2020	As at March 31, 2019
Trade payables	39.73	28.76
Total	**39.73**	**28.76**

(b) Current trade payables

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	183.75	173.10
Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related parties (note 35)	0.15	-
ii) Others	776.35	1,197.55
Total	**960.24**	**1,370.65**

For terms and conditions with related parties, refer note 35.

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

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

18 Financial liabilities

(a) Other non current liabilities

	As at March 31, 2020	As at March 31, 2019
Trade deposits	8.18	6.10
Lease obligation (note 32 (ii))	9.68	-
Total	**17.86**	**6.10**

(b) Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	25.55	28.77
Derivative instruments at fair value through profit or loss		
Derivative not designated as hedges		
Foreign exchange forward contracts	10.68	1.10
At amortized cost		
Current maturities of long-term borrowings (note 16 (a))	18.75	19.07
Current maturities of finance lease obligation (note 16 (a))	-	1.12
Lease obligation (note 32 (ii))	4.53	-
Interest accrued but not due on loans	0.09	-
Employee related payables	67.29	66.59
Payables for PPE and intangible assets	6.02	10.23
Book overdraft	7.67	13.89
Unpaid dividend	0.97	0.98
Other payables *	6.57	6.42
Total	**148.12**	**148.17**

* includes dealer deposits, security deposits, etc.

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

19 Provisions

(a) Non-current provisions

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for gratuity (note 33)	2.79	-
	2.79	**-**
Other provisions		
Provision for warranties	8.58	7.44
Provision for decommissioning liability	9.60	8.62
	18.18	**16.06**
Total	**20.07**	**16.06**

(b) Current provisions

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for gratuity (note 33)	0.45	0.59
Provision for leave encashment	72.33	65.17
	72.78	**65.76**
Other provisions		
Provision for onerous contracts	14.93	7.38
Provision for warranties	81.64	70.13
	96.57	**77.51**
Total	**169.35**	**143.27**

Provision for decommissioning liability

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

Provision for warranties

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacements, material costs, servicing cost and past experience in respect of such costs. It is expected that this expenditure will be incurred over the contracted warranty period ranging up to 2 years. If warranty claim costs vary by 10% from management's estimate, the warranty provisions would be an estimated Rs. 9.02 higher or lower (March 31, 2019 : Rs. 7.76).

Provision for onerous contracts

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.

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

Movement in provisions

	Provision for onerous contracts	Provision for warranties	Provision for decommissioning liability
As at April 1, 2019	**7.38**	**77.57**	**8.62**
Additional provision recognised	12.23	62.76	-
Unused amounts reversed	-	(36.46)	-
Unwinding of discount	-	4.94	0.98
Utilised during the year	(4.68)	(18.59)	-
As at March 31, 2020	**14.93**	**90.22**	**9.60**
Breakup of provisions:			
Current	14.93	81.64	-
Non-current	-	8.58	9.60
Total	**14.93**	**90.22**	**9.60**

20 Other liabilities

(a) Other non-current liabilities

	As at March 31, 2020	As at March 31, 2019
Contract Liabilities		
Unearned revenue*	8.25	9.96
Customer advances	16.54	25.99
Total	**24.79**	**35.95**

*includes 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, 2020	As at March 31, 2019
Contract liabilities		
Unearned revenue	383.85	303.42
Customer advances	893.95	1,458.44
Statutory dues and other liabilities*	41.84	32.01
Total	**1,319.64**	**1,793.87**

*includes tax deducted at source, GST, ESIC, provident fund, government grant received for a research project etc.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

21 Revenue from operations

(a) Revenue from contracts with customers:

	March 31, 2020	March 31, 2019
Revenue from projects and products	4,906.80	5,113.70
Revenue from services	748.59	772.61
Total revenue from contracts with customers	**5,655.39**	**5,886.31**

(b) Other operating income

	March 31, 2020	March 31, 2019
Export incentives	60.49	57.68
Sale of scrap	18.28	16.63
Interest income from finance lease	8.27	7.04
Commission income	2.24	2.96
Exchange fluctuation gain / (loss) (net) *	(16.94)	(0.93)
Royalty income	3.51	3.48
Miscellaneous income	0.07	-
	75.92	**86.86**

* Includes mark to market loss on forward contracts not subjected to hedge accounting Rs. 8.20 (March 31, 2019 : gain of Rs. 6.39)

Total revenue from operations (a+b)	**5,731.31**	**5,973.17**

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

i) By category of contracts

	March 31, 2020	March 31, 2019
Over a period of time basis	3,694.86	3,930.67
At a point-in-time basis	1,960.53	1,955.64
Total revenue from contracts with customers	**5,655.39**	**5,886.31**

Revenue by geographical market

	March 31, 2020	March 31, 2019
Within India	3,762.23	3,337.12
Outside India	1,969.08	2,636.05
Total revenue from operations	**5,731.31**	**5,973.17**

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

Revenue by segment

	March 31, 2020			
	Energy	**Environment**	**Chemical**	**Total**
Revenue from contracts with customers				
External revenue	4,610.36	717.14	416.77	5,744.27
Inter segment	(4.39)	(79.50)	(4.99)	(88.88)
Total revenue from contracts with customers	**4,605.97**	**637.64**	**411.78**	**5,655.39**
Other operating income	66.60	4.83	4.49	75.92
Total revenue from operations	**4,672.57**	**642.47**	**416.27**	**5,731.31**

	March 31, 2019			
	Energy	**Environment**	**Chemical**	**Total**
Revenue from contracts with customers				
External revenue	4,721.37	824.37	410.28	5,956.02
Inter segment	(1.09)	(62.83)	(5.79)	(69.71)
Total revenue from contracts with customers	**4,720.28**	**761.54**	**404.49**	**5,886.31**
Other operating income	78.10	3.93	4.83	86.86
Total revenue from operations	**4,798.38**	**765.47**	**409.32**	**5,973.17**

ii) Contract balances

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

	March 31, 2020	**March 31, 2019**
Trade receivables (note 7)	1,478.46	1,438.53
Unbilled revenue (Contract asset) (note 9(b))	347.30	1,120.89
Unearned revenue (Contract liability) (note 20)	392.10	313.38
Customer advances (Contract liability) (note 20)	910.49	1,484.43

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.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

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

	March 31, 2020	March 31, 2019
Unearned revenue	215.70	225.46
Customer advance	979.07	668.88

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

The explanation of the significant changes in the contract asset and the contract liability balances during the reporting period is presented in the table below

	March 31, 2020	March 31, 2020
Opening unbilled revenue (note 9(b))	**1,120.89**	
Opening unearned revenue (note 20)	**313.38**	**807.51**
- Transfer of contract assets to receivable from opening unbilled revenue	(1056.63)	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	215.70	
- Transfer of contract assets to receivable	(3,491.01)	
- Increase in revenue as a result of changes in the measure of progress	3,479.16	
- Others*	0.47	**(852.31)**
Closing unbilled revenue (note 9(b))	**347.30**	
Closing unearned revenue (note 20)	**392.10**	**(44.80)**

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

	March 31, 2019	March 31, 2019
Opening unbilled revenue (note 9(b))	**539.13**	
Opening unearned revenue (note 20)	**297.48**	**241.65**
- Arising on account of acquisitions	(37.09)	
- Transfer of contract assets to receivable from opening unbilled revenue	(487.20)	
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	225.46	
- Transfer of contract assets to receivable	(2,840.52)	
- Increase in revenue as a result of changes in the measure of progress	3,725.67	
- Others*	(20.46)	**565.86**
Closing unbilled revenue (note 9(b))	**1,120.89**	
Closing unearned revenue (note 20)	**313.38**	**807.51**

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

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

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.

	March 31, 2020	March 31, 2019
Amount of revenue yet to be recognised for contracts in progress	3,103.66	3,300.07

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

For one of the subsidiaries, the Group has disclosed remaining performance obligation expected to be fulfilled in next 12 months. However, the contracts with customers for supply of utilities are for a longer period.

22 Other income

	March 31, 2020	March 31, 2019
Interest income from financial assets at amortised cost		
Bank deposits	13.02	7.21
Other interest income	7.38	9.50
Dividend income from equity investments designated at fair value through profit and loss	5.51	4.59
Liabilities no longer required written back	11.10	28.81
Fair value gain on financial instruments at fair value through profit and loss (net)	47.24	77.51
Miscellaneous income ^^	15.75	22.26
Total	**100.00**	**149.88**

^^ Includes rent income of Rs. 1.07 (March 31, 2019: Rs. 1.84); refer note 32(i)(b).

23 Cost of raw material and components consumed

	March 31, 2020	March 31, 2019
Inventories at the beginning of the year	345.73	223.71
Add: Purchases	2.926.84	3,367.57
	3,272.57	**3,591.28**
Inventories at the end of the year	(276.27)	(345.73)
	2,996.30	**3,245.55**
Less: capitalised during the year (note 4 (a))	(0.16)	(5.86)
Total	**2,996.14**	**3,239.69**

Notes to the consolidated financial statements for the year ended March 31, 2020

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

24 (Increase) in inventories of finished goods, work-in-progress and traded goods

	March 31, 2020	March 31, 2019
Inventories at the beginning of the year		
Work-in-progress	91.84	75.08
Finished goods	52.04	49.61
Traded goods	8.89	9.96
	152.77	**134.65**
Less: inventories at the end of the year		
Work-in-progress	104.52	91.84
Finished goods	54.30	52.04
Traded goods	8.52	8.89
	167.34	**152.77**
Total	**(14.57)**	**(18.12)**

25 Employee benefits expense

	March 31, 2020	March 31, 2019
Salaries and wages	714.55	688.41
Contribution to provident and other funds	40.83	37.58
Gratuity expense (note 33)	8.63	7.15
Staff welfare expenses	35.11	35.87
	799.12	769.01
Less: capitalised during the year (note 4(a))	(0.10)	(1.56)
Total	**799.02**	**767.45**

26 Finance costs

	March 31, 2020	March 31, 2019
Interest expense*	8.61	9.70
Unwinding of discount	6.41	4.62
Total	**15.02**	**14.32**

* Includes accretion of interest on lease obligation Rs. 0.08 (March 31, 2019: Rs. Nil) (refer note 32(ii)).

Notes to the consolidated financial statements for the year ended March 31, 2020

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

27 Depreciation and amortisation expense

	March 31, 2020	March 31, 2019
Depreciation / impairment on property, plant and equipment (note 4(a))	99.36	78.31
Depreciation on right-of-use assets (note 4(b))	4.22	-
Amortisation of intangible assets (note 4(c))	13.05	13.71
Total	**116.63**	**92.02**

28 Other expenses

	March 31, 2020	March 31, 2019
Consumption of stores and spare parts	85.02	84.21
Power and fuel	44.36	51.02
Freight and forwarding charges (net)	162.40	142.94
Site expenses and contract labour charges	616.35	643.41
Drawing, design and technical service charges	25.61	29.16
Sales commission	18.77	28.54
Advertisement and sales promotion	28.90	16.33
Rent	28.34	32.59
Rates and taxes	26.06	14.78
Insurance	10.12	11.21
Repairs and maintenance:		
Plant and machinery	27.37	23.94
Buildings	7.00	7.91
Others	37.85	34.08
Travelling and conveyance	88.10	92.86
Legal and professional fees (includes payment to auditors)	83.24	69.07
Director sitting fees	0.74	0.50
Bad debts/ advances written off	42.93	11.50
Provision for impairment allowance of financial assets (net)	(2.00)	39.50
Warranty expenses (net)	45.20	1.20
(Gain) / loss on sale/ discard of assets (net)	(5.49)	0.55
CSR expenditure	8.26	8.33
Miscellaneous expenses (includes printing, communication, security expense, etc.)	62.03	69.97
	1,441.16	**1,413.60**
Less: capitalised during the year (note 4(a))	(0.74)	(1.98)
Total	**1440.42**	**1,411.62**

Notes to the consolidated financial statements for the year ended March 31, 2020

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

29 Earnings Per Share

	March 31, 2020	March 31, 2019
Net profit attributable to the Equity shareholders of the Parent Company	212.45	325.43
Weighted average number of Equity shares of Rs. 2/- each (number in crores)	11.26	11.26
Basic and diluted Earning per share	18.87	28.90

30 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, 2020

Particulars	Cash flow hedge reserve	Foreign Currency translation reserve	Retained earnings	Total
Foreign currency translation differences	-	11.44	-	**11.44**
Interest rate swap	(1.68)	-	-	**(1.68)**
Foreign exchange forward contracts	(9.06)	-	-	**(9.06)**
Reclassified to Statement of profit or loss (Net)	2.57	-	-	**2.57**
Re-measurement gains (losses) on defined benefit plans	-	-	(12.05)	**(12.05)**
Total	**(8.17)**	**11.44**	**(12.05)**	**(8.78)**

For the year ended March 31, 2019

Particulars	Cash flow hedge reserve	Foreign Currency translation reserve	Retained earnings	Total
Foreign currency translation differences	-	0.46	-	**0.46**
Interest rate swap	0.17	-	-	**0.17**
Foreign exchange forward contracts	(40.33)	-	-	**(40.33)**
Reclassified to Statement of profit or loss (Net)	18.66	-	-	**18.66**
Re-measurement gains (losses) on defined benefit plans	-	-	(0.15)	**(0.15)**
Share of OCI [cash flow hedge (net of tax)] of JV	(0.53)	-	-	**(0.53)**
Total	**(22.03)**	**0.46**	**(0.15)**	**(21.72)**

31 Contingent liabilities and commitments

A Contingent liabilities

a) During earlier years and in the current year, the Holding Company of the Group has received demand notices/show cause-cum-demand notices from the Excise department covering period from June 2000 till June 2017 for Rs. 1,385.47 crores (March 31, 2019: Rs.1,383.51) (including penalty but excluding interest and further penalty thereon).

These demands are of excise duty payable on inclusion of the cost of bought out items in the assessable value of certain products manufactured by the Holding Company, though such duty paid bought out items were directly dispatched by the manufacturers thereof to the ultimate customer, without being received in the Holding Company's factory. The Holding

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

Company has filed an appeal against the said orders received before CESTAT, Mumbai. Based on independent legal advice, the Holding Company is confident of the issue being ultimately decided in its favour and accordingly no provision has been considered necessary. Pursuant to the business transfer of boiler and heater division, the liability has been transferred from Holding Company to a wholly owned subsidiary.

b) **Taxes** *

	March 31, 2020	March 31, 2019
Excise, Customs Duty and Service tax	26.55	30.49
Sales tax	75.17	73.46
Income tax demands disputed in appellate proceedings	67.69	125.30
References/appeals preferred by the Income tax department in respect of which, should the ultimate decision be unfavourable to the Group	9.87	44.15
Others	0.10	0.10

* Excluding interest and penalty thereon.

c) **Guarantees**

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

d) **Others**

	March 31, 2020	March 31, 2019
Liability for export obligations	73.00	78.82
Claims against the Group not acknowledged as debt	3.33	3.02

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.

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" , that claims are not tenable / probability of final outcome against the Group is low and therefore not disclosed as contingent liabilities.

f) The Group has received a claim for avoidance from the liquidator of former subsidiary Omnical Kessel-und Apparatebau GmbH which is under bankruptcy. The management, based on best estimates, expects no impact for such claim on the Group.

B) Capital and other commitments

a) Liability in respect of partly paid shares Rs. 0.09 (March 31, 2019 Rs. 0.09).

b) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 29.59 (March 31, 2019 Rs. 20.98).

c) For lease commitments, refer note 32.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

32 Leasing arrangements

i) Where the Group is lessor

a) Amounts receivable under Finance lease -

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

	Gross Investment in lease		Present value of minimum lease payments	
Particulars	**March 31, 2020**	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Within one year	18.03	13.42	9.29	5.63
After one year but not more than five years	61.98	50.02	39.36	33.43
More than five years	26.38	18.73	19.53	14.09
	106.39	**82.17**	**68.18**	**53.15**
Less: Unearned finance income	38.21	29.02	-	-
Present value of minimum lease payments receivable	68.18	53.15	68.18	53.15
Allowance for uncollectible lease payments	-	-	-	-

Current portion of finance lease receivables*	9.29	5.63
Non-current portion of finance lease receivables*	58.89	47.52

Particulars	March 31, 2020	March 31, 2019
Estimated unguaranteed residual value of assets under finance lease	-	-
Contingent rent recognised as income during the year	-	-
Interest rate inherent in the lease per annum	10.87% - 17.03%	12.40% - 17.05%

*Lease receivables amounting to Rs 5.59 (March 31, 2019 Rs. 12.42) have been hypothecated against borrowings.

b) Operating lease

The Group has leased certain parts of its surplus office, buildings and equipment's. The tenure of such lease agreements ranges from 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. For nature of assets, refer note 4 (a).

	March 31, 2020	March 31, 2019
Lease rent received for the year	1.07	1.84

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

	March 31, 2020	March 31, 2019
Future minimum lease rental receivables under non-cancellable operating leases are as follows:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-

ii) Where the Group is lessee

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.

Refer note 2.2 in significant accounting policies relating to adoption of Ind AS 116

Carrying amounts of finance lease liabilities and the movements during the period.

	March 31, 2020
As at 1 April, 2019	14.20
Additions (for new lease during the year)	2.76
Accretion of interest	0.08
Payments made	(2.83)
As at 31 March	14.21
Current portion of finance lease payable	4.53
Non-current portion of finance lease payable	9.68
Total	**14.21**

Details of amounts recognised in Consolidated Statement of Profit and Loss

	March 31, 2020
Depreciation expense of right-of-use assets	4.22
Interest expense on lease liabilities	0.08
Expense relating to short-term leases (included in other expenses and staff welfare expenses)	32.50
Expense relating to leases of low-value assets (included in other expenses)	2.48
Total amount recognised in Consolidated Statement of Profit or Loss	**39.28**

Refer note 40(a) III for maturities of finance lease liabilities.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

(iii) Details of lease payments where group is lessee (disclosure pursuant to erstwhile Ind AS 17):

(a) Amounts payable under Finance lease

Particulars	Minimum lease payments March 31, 2019	Present value of minimum lease payments March 31, 2019
Within one year	1.12	1.12
After one year but not more than five years	3.94	3.79
More than five years	-	-
Total	**5.06**	**4.91**

(b) Amounts payable under Operating lease

	March 31, 2019
Lease payments for the year	32.59

	March 31, 2019
Future minimum lease rental payables under non-cancellable operating leases are as follows:	
Within one year	2.94
After one year but not more than five years	2.62
More than five years	0.39

33 Gratuity

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

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

Particulars	March 31, 2020	March 31, 2019
Total asset	5.06	9.92
Total liability	(3.24)	(0.59)
	1.82	**9.33**

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

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2018	**87.77**	**(98.16)**	**(10.39)**
Current service cost	8.66	-	8.66
Interest expense/(income)	6.06	(7.57)	(1.51)
Total amount recognised in Consolidated statement of Profit or Loss	**14.72**	**(7.57)**	**7.15**
Experience adjustments	(0.56)	-	(0.56)
Asset ceiling adjustment	0.67	-	0.67
Return on plan assets expense	-	0.09	0.09
Actuarial loss from change in demographic assumptions	(0.03)	-	(0.03)
Actuarial loss from change in financial assumptions	0.03	-	0.03
Total amount recognised in Other Comprehensive Income	**0.11**	**0.09**	**0.20**
Employer contributions	-	(5.42)	(5.42)
Benefits paid	(12.36)	12.36	-
Arising on account of acquisition	1.12	(1.99)	(0.87)
March 31, 2019	**91.36**	**(100.69)**	**(9.33)**
Current service cost	9.31	-	9.31
Interest expense/(income)	7.24	(7.92)	(0.68)
Total amount recognised in Consolidated Statement of Profit or Loss	**16.55**	**(7.92)**	**8.63**
Experience adjustments	4.46	-	4.46
Return on plan assets (income)	-	0.84	0.84
Actuarial loss from change in demographic assumptions	(1.29)	-	(1.29)
Actuarial loss from change in financial assumptions	10.97	-	10.97
Total amount recognised in Other Comprehensive Income	**14.14**	**0.84**	**14.98**
Employer contributions	-	(16.10)	(16.10)
Benefits paid	(13.63)	13.63	-
March 31, 2020	**108.42**	**(110.24)**	**(1.82)**

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

Particulars	March 31, 2020	March 31, 2019
Present value of funded obligation	108.42	91.36
Fair value of plan assets	(110.24)	(100.69)
Surplus of funded plan	**(1.82)**	**(9.33)**

Notes to the consolidated financial statements for the year ended March 31, 2020

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

III Significant asumptions

The principal actuarial assumptions were as follows :

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.04% to 6.4%	7.64%
Salary growth rate	5 % to 7 %	5 % to 7 %
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 14%	5% to 15%

IV Sensitivity analysis

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

Assumption	March 31, 2020		March 31, 2019	
	Impact of 1% increase	Impact of 1% decrease	Impact of 1% increase	Impact of 1% decrease
Discount rate	Decrease by 6.52	Increase by 7.48	Decrease by 5.21	Increase by 5.87
Future salary increase	Increase by 6.70	Decrease by 5.94	Increase by 5.39	Decrease by 4.88
Attrition Rate	Increase by 0.54	Decrease by 0.69	Increase by 0.17	Decrease by 0.19

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 year) has been applied as and 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:

Particulars	March 31, 2020	March 31, 2019
Within next 12 months	17.45	10.94
Between 2-5 years	41.87	39.63
Next 5 years	40.01	31.11

The average duration of the defined benefit plan obligation at the end of the reporting year is 9 years (March 31, 2019: 9 years).

V The major categories of plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
Investments with insurer (LIC of India)	100.00%	100.00%

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

34 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
			March 31, 2020	March 31, 2019	
1	Thermax Onsite Energy Solutions Ltd	India	100%	100%	Supply of steam and heat on build, own and operate basis
2	Thermax Instrumentation Ltd.	India	100%	100%	Civil, Erection & Commissioning and Operation and Maintenance of power plants
3	Thermax Engineering Construction Company Ltd.	India	100%	100%	Installation of industrial machinery and equipment
4	Thermax Sustainable Energy Solutions Ltd.	India	100%	100%	Carbon Advisory Services
5	Thermax International Ltd.	Mauritius	100%	100%	Investment Company
6	Thermax Europe Ltd.	United Kingdom	100%	100%	Sale and service of vapour absorption chillers
7	Thermax Inc.	USA	100%	100%	Sale and service of vapour absorption chillers and sale of chemicals
8	Thermax do Brasil Energia e Equipamentos Ltda	Brazil	100%	100%	Rendering services including technical assistance
9	Thermax (Zhejiang) Cooling & Heating Engineering Company Ltd.	China	100%	100%	Products and services in heating, cooling, waste heat recovery, captive power, water treatment and recycling, waste management and performance chemicals
10	Thermax Netherlands BV.	Netherlands	100%	100%	Investment Company
11	Thermax Denmark ApS	Denmark	100%	100%	Investment Company
12	Danstoker A/S	Denmark	100%	100%	Produces and sells boilers to the energy market
13	Ejendomsanp artsselskabet Industrivej Nord 13	Denmark	100%	100%	Own and lease out property within Group
14	Boilerworks A/S	Denmark	100%	100%	Produces and supplies high-pressure boilers and components
15	Boilerworks Properties ApS	Denmark	100%	100%	Own and lease out the property within Group
16	Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	Poland	100%	100%	Produces and supplies high-pressure boilers and components
17	Rifox-Hans Richter GmbH Spezialarmaturen	Germany	100%	100%	Manufacturing steam trap systems
18	Thermax Sdn.Bhd	Malaysia	100%	100%	Turnkey solutions provider
19	Thermax Engineering Singapore Pte. Ltd.	Singapore	100%	100%	Investment Company
20	PT Thermax International Indonesia	Indonesia	100%	100%	Manufacturing of industrial products
21	Thermax Senegal S.A.R.L	Senegal	100%	100%	Plant management services
22	First Energy Private Limited	India	76%	76%	Alternative energy solution company
23	Thermax Energy & Environment Philippines Corporation	Philippines	100%	100%	"Marketing and sales of component partsof boilers"
24	Thermax Energy & Environment Lanka (Private) Limited	Sri Lanka	100%	100%	"Marketing and sales of component partsof boilers"
25	Thermax Nigeria Limited	Nigeria	100%	100%	"Marketing and sales of component partsof boilers"
26	Thermax Babcock & Wilcox Energy Solutions Pvt Ltd ##	India	100%	100%	Manufacture of steam or other vapour generating boilers and hot water boilers other than central heating boilers
27	Thermax Cooling Solutions Limited (formerly known as Thermax SPX Energy Technologies Ltd)^	India	100%	100%	"Supply and erection commissioning of Air cooled condenser (ACC), Rotary air Pre-Heater (RAPH),electrostatic precipitator (ESP), Bag Houses"
28	Thermax Engineering Construction FZE	Nigeria	100%	100%	Operation and Maintenance
29	Thermax International Tanzania Limited^^	Tanzania	100%	NA	Supervision for project business, operation and maintenance services and sales related support.
30	Thermax (Thailand) Limited^^^	Thailand	100%	NA	Trade and investment support office.
31	ESOP Trust and Employee Welfare Trusts**	India	100%	100%	Employee welfare

Thermax Hong Kong Ltd. (wholly owned subsidiary) has not been considered for consolidation as the same has become 'Dormant' during the year 2009-10.
The non-controlling interest held in First Energy Private Limited is not material to the Group. Hence, the disclosures required under Para 12 of Ind AS 112 Disclosure of Interests in other entities are not considered necessary.
On July 19, 2018, Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES) had become a wholly owned subsidiary of the Company. For detail, refer note 36 (A).
^ On February 25, 2019, Thermax Cooling Solutions Limited had become a wholly owned subsidiary of the Company. For detail, refer note 36 (B).
** 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.
^^ Date of incorporation December 7, 2019. There are no transaction during the year, hence not consolidated.
^^^ Date of incorporation March 9, 2020. There are no transaction during the year, hence not consolidated.

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

B **Parent Entity**

Sr. No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest held by the group		Type
			March 31, 2020	March 31, 2019	
1	RDA Holdings Pvt Ltd	India	53.99%	53.99%	Ultimate Holding company

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

35 **Related party disclosures**

A For details of Holding company and Joint ventures, refer note 34.

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

1 Mrs. Meher Pudumjee - Chairperson

2 Mrs. Anu Aga - (Retired on August 8, 2018)

3 Mr. Pheroz Pudumjee - Director

4 Mr. Zahaan Pudumjee - Relative of Chairperson / Director

C **Key Management Personnel:**

1 Mr. M S Unnikrishnan - Managing Director and Chief Executive Officer

2 Dr. Raghunath A. Mashelkar - Independent Director (Retired on August 8, 2018)

3 Dr. Valentin A. H. von Massow - Independent Director

4 Dr. Jairam Varadaraj - Independent Director

5 Mr. Nawshir Mirza - Independent Director

6 Mr. Harsh Mariwala - Independent Director

7 Mr. Sashishekhar Balakrishna (Ravi) Pandit - Independent Director

8 Mrs. Rajani Kesari - Independent Director

9 Mr. Rajendran Arunachalam - Chief Financial Officer w.e.f. June 1, 2019

10 Mr. Amitabha Mukhopadhyay (Resigned on May 31, 2019)

11 Mr. Kedar Phadke - Company Secretary

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

1 Thermax Foundation, India

2 ARA Trusteeship Company Private Limited, India

3 Marico Limited

4 Aster DM Healthcare Limited

5 Elgi Ultra Industries Limited

6 Elgi Equipments Limited

7 The Akanksha Foundation

8 Festo India Private Limited

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

E. Transactions with related parties:

Particulars	Joint Ventures		Enterprises over which control is exercised by Individuals having Significant influence over the company and Key Management Personnel		Key Management Personnel and Individuals having Significant influence over the company mentioned in B and C above		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
a. Transactions during the year								
Sales of products and services	-	-	0.68	1.07	-	-	**0.68**	**1.07**
Miscellaneous income	-	0.36	-	-	-	-	**-**	**0.36**
Purchase of raw material and components	-	15.16	0.35	-	-	-	**0.35**	**15.16**
Miscellaneous expense	-	-	0.01	-	-	-	**0.01**	**-**
Remuneration to key management personnel*	-	-	-	-	6.93	6.17	**6.93**	**6.17**
Donation	-	-	8.26	8.33	-	-	**8.26**	**8.33**
Director's sitting fees	-	-	-	-	0.44	0.50	**0.44**	**0.50**
Commission paid	-	-	-	-	3.72	3.46	**3.72**	**3.46**
Rent paid	-	-	-	-	0.51	0.44	**0.51**	**0.44**

* 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. 90.06 (March 31, 2019: Rs. 38.60) including interim dividend for the year 2019-20.

Particulars	Joint Ventures		Enterprises over which control is exercised by Individuals having Significant influence over the company and Key Management Personnel		Key Management Personnel and Individuals having Significant influence over the company mentioned in B and C above		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
b. Balances as at the year end								
Trade receivables	-	-	**	0.07	-	-	**	**0.07**
Security deposit	-	-	-	-	0.18	0.53	**0.18**	**0.53**
Trade payables and other liabilities	-	-	0.15	-	-	-	**0.15**	**-**

** represents amount less than a lakh rupees.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

F **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	March 31, 2020	March 31, 2019
Transactions during the year		
Sale of product and services		
Marico Limited	0.55	0.85
Elgi Ultra Industries Limited	0.13	-
Aster DM Healthcare Limited	-	0.21
Miscellaneous income		
Thermax Cooling Solutions Limited (formerly known as Thermax SPX Energy Technologies Ltd)	-	0.36
Purchase of raw material and components		
Elgi Equipments Limited	0.30	-
Festo India Private Limited	0.05	-
Thermax Cooling Solutions Limited (formerly known as Thermax SPX Energy Technologies Ltd)	-	15.16
Miscellaneous expense		
The Akanksha Foundation	0.01	-
Remuneration to key management personnel		
Mr. M. S. Unnikrishnan	4.00	3.63
Mr. Rajendran Arunachalam	1.27	-
Mr. Amitabha Mukhopadhyay	1.26	2.23
Donation		
Thermax Foundation, India	8.26	8.33
Directors sitting fees		
Mrs. Meher Pudumjee	0.06	0.07
Mr. Pheroz Pudumjee	0.08	0.09
Dr. Valentin A. H. von Massow	0.06	0.07
Dr. Jairam Varadaraj	0.07	0.08
Mr. Nawshir Mirza	0.06	0.06
Mr. Ravi Pandit	0.06	0.05
Commission paid		
Mrs. Meher Pudumjee	0.45	0.45
Mr. Pheroz Pudumjee	0.20	0.20
Dr. Valentin A. H. von Massow	0.37	0.30
Dr. Jairam Varadaraj	0.20	0.15

Particulars	March 31, 2020	March 31, 2019
Mr. Nawshir Mirza	0.35	0.35
Mr. Harsh Mariwala	0.25	0.20
Mr. Ravi Pandit	0.15	0.15
Mrs. Rajani Kesari	0.15	0.06
Mr. M. S. Unnikrishnan	1.60	1.60
Rent paid		
Mrs. Meher Pudumjee	0.14	0.13
Mrs. Anu Aga	0.24	0.18
Mr. Pheroz Pudumjee	0.14	0.13

Particulars	March 31, 2020	March 31, 2019
Trade receivables		
Marico Limited	**	0.07
Trade payables and other liabilities		
Elgi Equipments Limited	0.03	-
Festo India Private Limited	0.02	-
Marico Limited	0.10	-
Security deposits		
Mrs. Anu Aga	-	0.35
Mr. Pheroz Pudumjee	0.18	0.18

** represents amount less than a lakh rupees.

G. 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, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: 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.

36 Acquisition during the year ended on March 31, 2019.

(A) Acquisition of Thermax Babcock & Wilcox Energy Solutions Private Limited

I. Summary of acquisition

The Group completed the acquisition process for the equity shares held by Babcock and Wilcox India Holding Inc. (B&W) in Thermax Babcock & Wilcox Energy Solutions Private Limited (TBWES) on July 19, 2018. Accordingly, TBWES has become a wholly owned subsidiary of the Company. As part of acquisition, Thermax acquired the assets and production activities related to boiler manufacturing. The acquisition related costs amounted to Rs. 0.87, which have been debited to the Consolidated statement of profit and loss under legal and professional fees of last year.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

The details of purchase consideration, identifiable assets acquired and liabilities assumed, computation of capital reserve and other details of acquisition have been summarised below.

II. **Details of acquisition**

a) **The details of purchase consideration, the net assets acquired and capital reserve are as follows:**

Purchase consideration	Amount
Cash paid	50.34

b) **The net assets and liabilities recognised as a result of the acquisition are as follows:**

Assets and Liabilities acquired	Amount
Property, plant and equipment and intangible assets	311.32
Other current and non-current assets	138.15
Other current and non-current liabilities	(134.43)
Net identifiable assets acquired	**315.04**

c) **Calculation of Capital Reserve**

Acquisition date fair value of previously held equity interest	187.47
Purchase consideration paid	50.34
Less: Net identifiable assets acquired	(315.04)
Capital Reserve	**(77.23)**

d) **Revenue and profit contribution**

The acquired business contributed revenues and profit to the group for the period March 31, 2019 as follows:

Revenue from operations of Rs. 36.50 and profit of Rs. 12.61 for the period July 19, 2018 to March 31, 2019.

If the acquisition had occurred on April 1, 2018, consolidated revenue and profit for the year ended March 31, 2019 would have been higher by Rs. 11.67 and Rs. 0.09 respectively.

(B) **Acquisition of Thermax Cooling Solutions Limited (formerly known as Thermax SPX Energy Technologies Ltd)**

I. **Summary of acquisition**

The Group on February 25, 2019 entered into a share purchase agreement with Thermax Cooling Solutions Limited (TCSL), Mutares Holding-24 AG and Balcke-Duerr GmbH to acquire the remaining 49% stake in TCSL at a consideration of 2 Euro. With effect from April 01, 2019, TCSL has become a wholly owned subsidiary of the Company. As a part of this, Thermax acquired the assets and supply & erection commissioning activity of Air cooled condenser (ACC), Rotary air Pre-Heater (RAPH), electrostatic precipitator (ESP), Bag houses. The acquisition related costs amounted to Rs. 0.04, which have been debited to the Consolidated statement of profit and loss under legal and professional fees of last year.

The details of purchase consideration, identifiable assets acquired and liabilities assumed, computation of capital reserve and other details of acquisition have been summarised below.

II. Details of acquisition

a) **The details of purchase consideration, the net assets acquired and capital reserve are as follows:**

Purchase consideration	Amount
Cash payable (absolute amount)	2 EURO

b) **The net assets and liabilities recognised as a result of the acquisition are as follows:**

Assets and Liabilities acquired	Amount
Property, plant and equipment	0.06
Other current and non-current assets	33.40
Other current and non-current liabilities	(33.32)
Net identifiable assets acquired	**0.14**

c) **Calculation of Capital Reserve**

Acquisition date fair value of previously held equity interest	0.07
Purchase consideration payable*	-
Less: Net identifiable assets acquired	(0.14)
Capital Reserve	**(0.07)**

* less than Rs. 1 lakh

d) **Revenue and profit contribution**

The control was transferred on March 31, 2019. If the acquisition had occurred on April 1, 2018, consolidated revenue and profit for the year ended March 31, 2019 would have been higher and lower by Rs.53.28 and Rs. 0.92 respectively.

37 Interest in Joint Venture

The interest in Thermax Babcock & Wilcox Energy Solutions Pvt Ltd (TBWES) and Thermax Cooling Solutions Limited (TCSL) (formerly known as Thermax SPX Energy Technologies Ltd) are accounted for using equity method of accounting upto their respective acquisition (note 36).

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

Summarised statement of Profit and Loss	Thermax Babcock & Wilcox Energy Solutions Pvt Ltd April 1, 2018 to July 18, 2018	Thermax Cooling Solutions Limited April 1, 2018 to March 31, 2019
Total income (including interest income Rs. 1.32)	17.60	69.56
Cost of raw materials and components consumed	4.30	64.48
Depreciation and amortisation expense	3.59	0.03
Finance costs	0.24	0.01
Employee benefits expense	3.43	2.95
Other expenses	5.85	3.97
Profit/ (loss) before tax	**0.19**	**(1.88)**
Tax Expense	-	-
Profit/ (loss) for the year	**0.19**	**(1.88)**
Other comprehensive income	**(1.04)**	**-**
Total comprehensive income	**(0.85)**	**(1.88)**
Group's share of profit/ (loss)	**(0.43)**	**(0.96)**

Notes to the consolidated financial statements for the year ended March 31, 2020

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

Reconciliation of share of loss of joint ventures

Particulars	March 31, 2019
Group share of profit/ (loss) of joint ventures	
Thermax Babcock & Wilcox Energy Solutions Pvt Ltd	(0.43)
Thermax Cooling Solutions Limited	(0.96)
Total	**(1.39)**
Consolidation level adjustments*	(0.21)
Share in Total comprehensive income	**(1.60)**
Share in Other comprehensive income	**(0.53)**
Share of profit/ (loss) of joint ventures	**(1.07)**

* Includes elimination of unrealised profit/ (loss) on combination of contracts.

The disclosure is not applicable for the year ended March 31, 2020 as there are no joint ventures.

38 **Segment reporting**

The Group's portfolio includes boilers and heaters, absorption chillers/heat pumps, power plants, solar equipment, related services, air pollution control equipment/system, water and waste recycle plant, ion exchange resins and performance chemicals and related services. The CEO and Managing Director (CMD) of the Company, Mr. M.S. Unnikrishnan has been identified as the chief operating decision maker ('CODM'). Management has determined the operating segments based on the reports reviewed by the CMD; that are used to make strategic decisions, allocation of resources and assessing the performance of the segments. The CMD evaluates the segments based on their revenue and operating results.

The CODM evaluates performance based on the revenues and operating profit for the three segments- Energy, Environment and Chemical. The composition of these segments is given below:

Segment	**Products Covered**
a) Energy	Boilers and heaters, Absorption Chillers/Heat Pumps, Power Plants, Solar equipment's and related services.
b) Environment	Air Pollution Control equipment/systems, Water & Waste Recycle Plants and related services.
c) Chemical	Ion Exchange Resins, Performance Chemicals, Water Treatment Chemicals, Oil Field Chemicals, Paper Chemicals and Construction 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	March 31, 2020	March 31, 2019
i	**Segment Revenue**		
	a. Energy	4,676.96	4,799.47
	b. Environment	721.97	828.30
	c. Chemical	421.26	415.11
	Total	**5,820.19**	**6,042.88**
	Less: Inter segment revenue	88.88	69.71
	Income From operations	**5,731.31**	**5,973.17**

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

Sr.No.	Particulars	March 31, 2020	March 31, 2019
ii	**Depreciation and amortization**		
	a. Energy	81.85	61.81
	b. Environment	5.91	6.27
	c. Chemical	15.68	16.07
	d. Unallocated	13.19	7.87
		116.63	**92.02**
iii	**Segment Results**		
	Profit before tax and interest from each segment		
	a. Energy	249.25	321.77
	b. Environment	38.07	56.72
	c. Chemical	78.04	61.73
	Total	**365.36**	**440.22**
	Less : i) Interest	15.02	14.32
	ii) Other unallocable expenditure net of unallocable (income)	(24.19)	(75.08)
	iii) Share of loss of joint ventures (relating to Energy segment)	-	1.07
	iv) Exceptional items (relating to Energy segment)	-	89.54
	Total profit before tax	**374.53**	**410.37**

		As at March 31, 2020	**As at March 31, 2019**
iv	**Segment Assets**		
	a. Energy	3,182.41	3,992.36
	b. Environment	459.78	497.51
	c. Chemical	391.15	364.70
	d. Unallocated	1,922.55	1,945.37
	Total Assets	**5,955.89**	**6,799.94**
v	**Segment Liabilities**		
	a. Energy	2,194.86	3,113.26
	b. Environment	404.33	383.43
	c. Chemical	53.43	54.03
	d. Unallocated	275.37	234.93
	Total Liabilities	**2,927.99**	**3,785.65**

Notes to the consolidated financial statements for the year ended March 31, 2020

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

Reconciliations to amounts Consolidated in financial statements

Reconciliation of profit

Particulars	March 31, 2020	March 31, 2019
Segment profit	365.36	440.22
Other income	100.00	149.88
Exceptional items	-	(89.54)
Finance cost	(15.02)	(14.32)
Other corporate costs*	(75.81)	(75.87)
Profit before tax	**374.53**	**410.37**

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

Reconciliation of assets

Particulars	March 31, 2020	March 31, 2019
Segment operating assets	4,033.34	4,854.57
Investments	875.20	829.34
Cash and bank balances	476.10	369.06
Balances with government authorities	166.56	264.40
Income tax assets	132.94	98.52
Other unallocated assets (includes Defered Tax, etc.)	271.75	384.05
Total assets	**5,955.89**	**6,799.94**

Reconciliation of liabilities

Particulars	March 31, 2020	March 31, 2019
Segment operating liabilities	2,652.62	3,550.72
Borrowings	211.54	220.07
Income tax liabilities	11.34	12.85
Other unallocable liabilities	52.49	2.01
Total liabilities	**2,927.99**	**3,785.65**

II **Information about geographic segment :**

Revenue from external customers

Particulars	March 31, 2020	March 31, 2019
India	3,762.23	3,337.12
Outside India	1,969.08	2,636.05
Total	**5,731.31**	**5,973.17**

No individual customer contributed more than 10% of Group's total revenue for the year ended March 31, 2020. Revenue of Rs. 735.04 was derived from a single customer during year ended March 31, 2019.

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

Non-current asset

Particulars	March 31, 2020	March 31, 2019
India	1,369.18	1,397.41
Outside India	186.79	207.51
Total	**1,555.97**	**1,604.92**

39 Fair value measurements

a) Category of financial instruments and valuation techniques

Details of financial assets carried at amortised cost

	As at March 31, 2020	As at March 31, 2019
Trade receivables	1,478.46	1,438.53
Loans	24.14	26.46
Finance lease receivables	68.18	53.15
Other assets	465.66	1,228.47
Cash and cash equivalents	254.04	308.23
Bank balances other than cash and cash equivalents	222.06	60.83
Total	**2,512.54**	**3,115.67**
Current assets	2,304.39	2,933.97
Non-current assets	208.15	181.70
Total	**2,512.54**	**3,115.67**

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

Details of financial assets carried at fair value through profit and loss

	As at March 31, 2020	As at March 31, 2019
Investments	875.20	829.34
Total	**875.20**	**829.34**
Current assets	816.07	775.06
Non-current assets	59.13	54.28
Total	**875.20**	**829.34**

The fair values of the quoted shares are based on price quotations at the reporting date.

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

Details of derivative assets

	As at March 31, 2020	As at March 31, 2019
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	2.00	40.40
Derivative not designated as hedges		
Foreign exchange forward contracts	2.48	7.49
Total	**4.48**	**47.89**
Current assets	4.48	47.89
Non-current assets	-	-
Total	**4.48**	**47.89**

Details of financial liabilities carried at amortised cost

	As at March 31, 2020	As at March 31, 2019
Borrowings	211.54	220.07
Trade payables	999.97	1,399.41
Employee related payables	67.29	66.59
Other liabilities	62.46	57.81
Total	**1,341.26**	**1,743.88**
Current liabilities	1,250.28	1,673.95
Non-current liabilities	90.98	69.93
Total	**1,341.26**	**1,743.88**

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

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 Company 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.

Details of derivative liabilities

	As at March 31, 2020	As at March 31, 2019
Derivative instruments		
Cash flow hedges		
Foreign exchange forward contracts	25.55	28.77
Derivative not designated as hedges		
Foreign exchange forward contracts	10.68	1.10
Total	**36.23**	**29.87**
Current liabilities	36.23	29.87
Non-current liabilities	-	-
Total	**36.23**	**29.87**

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

b) Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2020

	Date of valuation	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Equity instruments	March 31, 2020	0.08	-	-	0.08
Mutual funds	March 31, 2020	-	875.12	-	875.12
Derivative financial assets	March 31, 2020	-	4.48	-	4.48
Financial liabilities					
Derivative financial liabilities	March 31, 2020	-	36.23	-	36.23

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2019

	Date of valuation	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Equity instruments	March 31, 2019	0.18	-	-	0.18
Mutual funds	March 31, 2019	-	829.16	-	829.16
Derivative financial assets	March 31, 2019	-	47.89	-	47.89
Financial liabilities					
Derivative financial liabilities	March 31, 2019	-	29.87	-	29.87

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.

40 (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 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 Company's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the years ended March 31, 2020 and March 31, 2019. The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

I Market risk

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

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

Notes to the consolidated financial statements for the year ended March 31, 2020

(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 not currently exposed significantly to such risk as most of the the borrowings are on fixed interest terms.

b **Foreign currency risk**

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

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

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

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, SEK and EUR 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	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
USD Sensitivity				
INR/ USD - Increase by 1%	(1.21)	3.09	(0.14)	(0.68)
INR/ USD - Decrease by 1%	1.21	(3.09)	0.14	0.68
SEK Sensitivity				
INR/ SEK - Increase by 1%	0.35	0.10	0.09	0.14
INR/ SEK - Decrease by 1%	(0.35)	(0.10)	(0.09)	(0.14)
EUR Sensitivity				
INR/ EUR - Increase by 1%	0.43	0.67	0.71	0.51
INR/ EUR - Decrease by 1%	(0.43)	(0.67)	(0.71)	(0.51)

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 equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. These securities are unquoted. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Holding Company's Board of Directors reviews and approves all equity investment decisions.

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.

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

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 32 above. The charge of impairment to Statement of profit and loss is disclosed in note 28 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, 2020 and March 31, 2019 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 financial statements.

III Liquidity risk

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

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

(i) Maturities of financial liabilities

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

March 31, 2020	< 1 year	1 to 3 years	> 3 years	Total
Non- derivative				
Borrowings				
Loans	178.15	20.76	12.63	**211.54**
Trade Payables	960.24	39.73	-	**999.97**
Other financial liabilities				
Current maturities of long-tem borrowings	18.75	-	-	**18.75**
Lease obligation	4.53	5.89	3.79	**14.21**
Unpaid dividend	0.97	-	-	**0.97**
Other payables	87.55	1.10	7.08	**95.73**
Derivatives (net settled)				
Foreign exchange forward contracts	36.23	-	-	**36.23**

Notes to the consolidated financial statements for the year ended March 31, 2020
(All amounts are in Rupees Crore, except per share data and unless stated otherwise)

March 31, 2019	< 1 year	1 to 3 years	> 3 years	Total
Non- derivative				
Borrowings				
Loans	185.00	24.59	10.48	**220.07**
Trade Payables	1,370.65	28.76	-	**1,399.41**
Other financial liabilities				
Current maturities of long-tem borrowings	19.07	-	-	**19.07**
Unpaid dividend	0.98	-	-	**0.98**
Other payables	98.25	5.77	0.33	**104.35**
Derivatives (net settled)				
Foreign exchange forward contracts	29.87	-	-	**29.87**

40 (b) Hedging activities and derivatives

Cash flow hedges

Foreign currency risk

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

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

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

Particulars	March 31, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Fair Value of Foreign exchange forward contracts designated as hedging instruments	4.48	(34.75)	47.89	(28.18)

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 are as mentioned below:

Particulars	March 31, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Foreign exchange forward contracts	709.04	(40.99)	1,030.84	(298.26)
Derivatives not designated as hedges				
Foreign exchange forward contracts	381.54	(84.39)	302.42	(37.80)

All the derivative contracts expire in next 12 months.

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

Particulars	March 31, 2020		March 31, 2019	
	Expected future sales	Expected future purchases	Expected future sales	Expected future purchases
Unrealised gain/ (loss)	(12.76)	11.88	18.56	(16.17)
Deferred tax asset/ (liability)	3.21	(2.99)	(6.58)	5.65
	(9.55)	**8.89**	**11.98**	**(10.52)**

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

The amounts retained in OCI at March 31, 2020 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2021.
Reclassifications to profit or loss during the year gains or losses included in OCI are shown in Note 30.

Interest rate swap (cash flow hedge)

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.
The carrying value of interest rate swap at the end of the reporting year are as follows:

Particulars	March 31, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Interest rate swap	-	(1.48)	-	(1.69)

The nominal value of interest rate swap are:

Particulars	March 31, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Interest rate swap	-	(9.07)	-	(9.14)

41 Capital Management

The Group's objective for capital management is to maximise 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, 2020 and March 31, 2019. Capital represents equity attributable to equity holders of the Parent Company.

	March 31, 2020	March 31, 2019
Borrowings	211.54	220.07
Trade payables	999.97	1,399.41
Book overdraft	7.67	13.89
Less: Cash and cash equivalents	254.04	308.23
Net debt	**965.14**	**1,325.14**
Equity	3,027.90	3,014.29
Capital and net debt	**3,993.04**	**4,339.43**
Gearing ratio	**1 : 4.14**	**1 : 3.27**

42. Exceptional Items

Particulars	Note	March 31, 2020	March 31, 2019
Impairment of Goodwill related to Thermax Netherlands B.V. group	4(c)	-	87.51
Impairment of property, plant and equipment's and intangible assets of Thermax (Zhejiang) Cooling & Heating Engineering Company Ltd.	4 (a) & (c)	-	2.03

43 Impact of COVID-19

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared a national lockdown on March 24, 2020 and which has been extended from time to time. The Coronavirus is significantly impacting on business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc. The Group is monitoring the situation closely and operations are being resumed in a phased manner considering directives from the Government. The Group has evaluated its liquidity position and recoverability and carrying values of its Intangible assets, trade receivables, Contract balances and inventories as at March 31, 2020 and has concluded that no material adjustments are required at this stage.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

44 Additional information required by Schedule III

Disclosure of additional information pertaining to the parent company, and its subsidiaries:

For the year ended March 31, 2020

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 & Loss	Amount	As a % of consolidated other comprehensive Income	Amount	As a % of consolidated Total comprehensive Income	Amount
Parent Company								
Thermax Limited	90.41%	2,737.54	100.73%	214.00	150.11%	(13.18)	98.60%	200.82
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Private Limited	13.83%	418.80	0.29%	0.61	63.44%	(5.57)	(2.44%)	(4.96)
Thermax Onsite Energy Solutions Limited	2.00%	60.62	5.95%	12.65	0.34%	(0.03)	6.20%	12.62
Thermax Instrumentation Limited	1.44%	43.50	3.85%	8.17	(11.85%)	1.04	4.52%	9.21
Thermax Engineering Construction Co. Ltd.	1.31%	39.66	2.99%	6.35	(0.46%)	0.04	3.14%	6.39
Thermax Cooling Solutions Limited (formerly known as Thermax SPX Energy Technologies Ltd)	0.16%	4.90	2.25%	4.79	0.23%	(0.02)	2.34%	4.77
Thermax Sustainable Energy Solutions Limited	(0.18%)	(5.41)	(0.74%)	(1.58)	-	-	(0.78%)	(1.58)
First Energy Private Limited	(0.61%)	(18.35)	(4.93%)	(10.47)	(1.25%)	0.11	(5.09%)	(10.36)
Foreign subsidiaries								-
Thermax Engineering Singapore Pte. Ltd.	4.80%	145.32	(0.48%)	(1.01)	-	-	(0.50%)	(1.01)
PT Thermax International Indonesia	2.32%	70.16	(2.55%)	(5.41)	(0.23%)	0.02	(2.65%)	(5.39)
Thermax Inc.	1.87%	56.54	1.85%	3.92	-	-	1.92%	3.92
Thermax Europe Limited	1.84%	55.72	0.46%	0.98	-	-	0.48%	0.98
Thermax Netherlands B.V.	1.26%	38.15	(0.26%)	(0.55)	-	-	(0.27%)	(0.55)
Thermax Denmark ApS (Consol.)	1.17%	35.33	(11.66%)	(24.78)	19.13%	(1.68)	(12.99%)	(26.46)
Thermax International Limited	0.39%	11.79	0.37%	0.79	-	-	0.39%	0.79
Thermax Energy and Environment Lanka (Pvt) Limited	0.21%	6.45	0.12%	0.25	-	-	0.12%	0.25
Rifox-Hans Richter GmbH Spezialarmaturen	0.18%	5.60	0.56%	1.20	-	-	0.59%	1.20
Thermax Energy & Environment Philippines Corporation	0.16%	4.81	0.04%	0.08	-	-	0.04%	0.08
Thermax Engineering Construction FZE	0.16%	4.73	2.09%	4.44	-	-	2.18%	4.44
Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd.	0.07%	2.16	(2.33%)	(4.95)	-	-	(2.43%)	(4.95)
Thermax Sdn.Bhd	0.04%	1.35	0.06%	0.12	-	-	0.06%	0.12
Thermax Nigeria Limited	0.03%	0.87	(0.01%)	(0.02)	-	-	(0.01%)	(0.02)
Thermax Senegal S.A.R.L	0.02%	0.54	(0.59%)	(1.25)	-	-	(0.61%)	(1.25)
Thermax do Brasil-Energia e Equipamentos Ltda.	0.01%	0.43	0.04%	0.08	-	-	0.04%	0.08
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	3.82%	115.78	5.62%	11.95	-	-	5.87%	11.95
Consolidation Adjustments	(26.72%)	(809.07)	(3.72%)	(7.91)	(119.48%)	10.49	1.27%	2.58
Total	**100.00%**	**3,027.90**	**100.00%**	**212.45**	**100.00%**	**(8.78)**	**100.00%**	**203.67**

Thermax International Tanzania Limited has been incorporated on December 7, 2019. Hence, not included in above statement.

Thermax (Thailand) Limited has been incorporated on March 9, 2019. Hence, not included in above statement.

Notes to the consolidated financial statements for the year ended March 31, 2020

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

Disclosure of additional information pertaining to the parent company, and its subsidiaries: For the year ended March 31, 2019

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 & Loss	Amount	As a % of consolidated other comprehensive Income	Amount	As a % of consolidated Total comprehensive Income	Amount
Parent Company								
Thermax Limited	90.76%	2,735.90	84.58%	275.25	95.81%	(20.81)	83.78%	254.44
Indian subsidiaries								
Thermax Babcock & Wilcox Energy Solutions Private Limited*	14.06%	423.74	33.58%	109.29	5.11%	(1.11)	35.62%	108.18
Thermax Onsite Energy Solutions Limited	1.97%	59.25	3.51%	11.41	-	-	3.76%	11.41
Thermax Instrumentation Limited	1.14%	34.28	2.63%	8.57	1.29%	(0.28)	2.73%	8.29
Thermax Engineering Construction Co. Ltd.	1.10%	33.27	0.10%	0.34	-	-	0.11%	0.34
Thermax Cooling Solutions Limited (formerly known as Thermax SPX Energy Technologies Ltd)^	0.00%	0.14	-	-	-	-	-	-
Thermax Sustainable Energy Solutions Limited	(0.13%)	(3.83)	0.02%	0.08	-	-	0.03%	0.08
First Energy Private Limited	(0.27%)	(8.00)	(1.67%)	(5.43)	0.09%	(0.02)	(1.79%)	(5.45)
Foreign subsidiaries								
Thermax Engineering Singapore Pte. Ltd.	4.79%	144.50	(0.05%)	(0.17)	-	-	(0.06%)	(0.17)
PT Thermax International Indonesia	2.61%	78.76	(4.18%)	(13.61)	-	-	(4.48%)	(13.61)
Thermax Inc.	1.59%	47.93	2.97%	9.65	-	-	3.18%	9.65
Thermax Europe Limited	1.74%	52.54	1.50%	4.87	-	-	1.60%	4.87
Thermax Netherlands B.V.	1.28%	38.64	(47.89%)	(155.86)	-	-	(51.32%)	(155.86)
Thermax Denmark ApS (Consol.)	1.96%	58.94	(34.57%)	(112.50)	1.86%	(0.40)	(37.18%)	(112.90)
Thermax International Limited	0.34%	10.35	(0.04%)	(0.13)	-	-	(0.04%)	(0.13)
Thermax Energy and Environment Lanka (Pvt) Limited	0.20%	6.11	0.10%	0.34	-	-	0.11%	0.34
Rifox-Hans Richter GmbH Spezialarmaturen	0.13%	4.04	0.35%	1.13	-	-	0.37%	1.13
Thermax Energy & Environment Philippines Corporation	0.14%	4.17	0.06%	0.21	-	-	0.07%	0.21
Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd.	(0.01%)	(0.16)	(2.95%)	(9.61)	-	-	(3.16%)	(9.61)
Thermax Sdn.Bhd	0.04%	1.19	0.02%	0.06	-	-	0.02%	0.06
Thermax Nigeria Limited	0.01%	0.16	(0.03%)	(0.10)	-	-	(0.03%)	(0.10)
Thermax Senegal S.A.R.L	0.09%	2.69	(0.24%)	(0.79)	-	-	(0.26%)	(0.79)
Thermax do Brasil-Energia e Equipamentos Ltda.	0.01%	0.44	0.02%	0.05	-	-	0.02%	0.05
Controlled Trusts								
ESOP Trust and Employee Welfare Trusts	3.44%	103.82	2.98%	9.69	-	-	3.19%	9.69
Joint Ventures (investment as per the equity method)								
Thermax Babcock & Wilcox Energy Solutions Private Limited*	-	-	0.04%	0.12	2.40%	(0.52)	(0.13%)	(0.40)
Thermax Cooling Solutions Limited (formerly known as Thermax SPX Energy Technologies Ltd)^	-	-	(0.29%)	(0.96)	-	-	(0.32%)	(0.96)
Consolidation Adjustments	(27.02%)	(814.58)	59.47%	193.53	(6.54%)	1.42	64.19%	194.95
Total	**100%**	**3,014.29**	**100%**	**325.43**	**100%**	**(21.72)**	**100%**	**303.71**

* The entity became a subsidiary pursuant to acquisition of additional stake on July 19, 2018.
^ The entity became a subsidiary pursuant to acquisition of additional stake on February 25, 2019.

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

per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : June 18, 2020

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
and Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

FORM AOC- I

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

Part "A" : Subsidiaries

Rs. in Crore

Particulars	Reporting Period	Date of acquisition	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision for Tax	Profit after Tax	Proposed Dividend	% of Share Holding	Reporting Currency	Exchange Rate as on 31st March 2020
Thermax Sustainable Energy Solutions Ltd.	2019-20		4.75	(10.16)	0.27	5.68	-	-	0.42	2.00	(1.58)	-	100.00	INR	
Thermax Engineering Construction Co. Ltd.	2019-20		4.50	35.16	52.70	13.04	-	30.82	7.34	0.99	6.35	-	100.00	INR	
Thermax Instrumentation Ltd.	2019-20		9.00	34.50	129.76	86.26	2.01	178.74	12.78	4.61	8.17	-	100.00	INR	
Thermax Onsite Energy Solutions Ltd.	2019-20		18.65	41.97	111.42	50.80	2.02	119.03	14.22	1.58	12.65	9.33	100.00	INR	
First Energy Private Limited	2019-20	31-Aug-16	13.47	(31.82)	9.70	28.05	0.81	18.25	(10.47)	-	(10.47)	-	76.00	INR	
Thermax International Ltd. (Mauritius)	2019-20		26.01	(13.32)	12.78	0.09	6.30	-	0.81	0.02	0.79	-	100.00	USD	75.55
Thermax Europe Ltd. (U.K.)	2019-20		1.88	53.84	61.22	5.49	-	45.18	1.25	0.27	0.98	-	100.00	GBP	93.82
Thermax Inc. (U.S.A.)	2019-20		3.78	52.77	80.00	23.46	-	129.06	5.11	1.19	3.92	-	100.00	USD	75.55
Thermax do Brasil Energia e Equipamentos Ltda. (Brazil)	2019-20		1.58	(1.14)	0.45	0.01	-	0.22	0.08	-	0.08	-	100.00	Brazilian Real	14.52
Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd. (China)#	2019		111.76	(108.58)	9.02	5.84	-	3.34	(12.64)	-	(12.64)	-	100.00	Yuan	10.67
Thermax Denmark ApS.	2019-20		145.17	(112.56)	118.15	85.54	107.54	-	(27.63)	(0.21)	(27.42)	-	100.00	DKK	11.17
Thermax Netherlands BV.	2019-20		232.47	(163.40)	69.40	0.32	68.24	-	(0.55)	-	(0.55)	-	100.00	EUR	83.32
Danstoker A/S	2019-20	1-Oct-10	11.17	36.07	156.34	109.10	25.01	177.93	(9.70)	(3.69)	(6.01)	-	100.00	DKK	11.17
Ejendomsanp-artsselskabet Industrivej Nord 13	2019-20	1-Oct-10	0.22	27.92	58.63	30.49	11.06	-	4.85	0.74	4.11	-	100.00	DKK	11.17
Boilerworks A/S	2019-20		0.56	(3.57)	37.30	40.31	-	122.98	(10.76)	(2.32)	(8.44)	-	100.00	DKK	11.17
Boilerworks Properties ApS	2019-20		0.11	10.39	11.06	0.56	-	-	2.11	0.42	1.69	-	100.00	DKK	11.17
Rifox-Hans Richter GmbH Spezialarmaturen	2019-20	1-Apr-12	5.97	(0.37)	11.74	6.13	-	26.89	1.20	-	1.20	-	100.00	EUR	83.32
Thermax SDN.BHD	2019-20		0.88	0.48	1.46	0.10	-	3.08	0.20	0.08	0.12	-	100.00	Malaysian Ringet	17.52
Thermax Engineering Singapore Pte. Ltd	2019-20		173.65	(1.54)	174.75	2.64	150.82	-	(1.01)	-	(1.01)	-	100.00	USD	75.55
PT Thermax International Indonesia	2019-20		113.09	(42.94)	107.45	37.29	-	99.17	(5.41)	-	(5.41)	-	100.00	ndonesian Rupiah	0.0046
Thermax Senegal S.A.R.L#	2019		1.35	(0.80)	1.40	0.84	-	-	(1.47)	-	(1.47)	0.96	100.00	Central African Franc	0.13
Thermax Energy and Environment Philippines Corporation	2019-20		7.28	(2.47)	5.61	0.80	-	3.54	0.12	0.04	0.08	-	100.00	PHP	1.49
Thermax Nigeria Limited	2019-20		1.05	(0.18)	1.07	0.20	-	0.62	(0.09)	(0.07)	(0.02)	-	100.00	NGN	0.21
Thermax Energy and Environment Lanka (pvt) Limited	2019-20	8-Aug-17	6.13	0.32	6.50	0.05	-	0.86	0.35	0.10	0.25	-	100.00	LKR	0.40
Thermax Babcock & Wilcox Energy Solutions Pvt Ltd	2019-20		628.22	(104.12)	1,923.12	1,399.01	164.29	911.60	17.84	41.65	(23.82)	-	100.00	INR	
Thermax Cooling Solutions Limited (formerly known as Thermax SPX Energy Technologies Ltd)	2019-20		20.00	(15.10)	40.31	35.40	0.04	54.16	4.96	0.17	4.79	-	100.00	INR	
Thermax Engineering Construction FZE	2019-20		-	4.73	8.56	3.83	-	5.99	4.44	-	4.44	-	100.00	USD	75.55
Danstoker Poland Spółka Z Ograniczona Odpowiedzialnoscia	2019-20	4-May-17											100.00	PLN	18.28

Notes :

i) The reporting period of Thermax (Zhejiang) Cooling & Heating Engineering Co. Ltd. (China) and Thermax Senegal S.A.R.L is 2019, A31whereas the same for all other subsidiaries is 2019-20

ii) 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.

iii) Thermax Hong Kong Ltd. has been registered for dormancy as per laws of Hong Kong hence not included in the above statement.

iv) 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

v) 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

For the year ended December 31, 2019

Exchange rates as on December 31, 2019

vi) Thermax International Tanzania Limited has been incorporated on December 7, 2019. Hence, not included in above statement.

vii) Thermax (Thailand) Limited has been incorporated on March 9, 2019. Hence, not included in above statement.

Part "B" : Associates and Joint Ventures

Statement pursuant to section 129(3) of the companies Act 2013 related to Associate companies and joint ventures

Rs. in Crore

	Particulars	
1	Latest Audited Balance Sheet Date	N.A.
2	Date of acquisition*	
3	Shares of Joint Ventures held by the Company on the year end	
	i) Number	
	ii) Amount of Investment in Joint Venture	
	iii) Extent of Holding %	
4	Description of how there is significant influence	
5	Reason why the joint venture is not consolidated	
6	Net Worth attributable to shareholding as per latest Balance Sheet	
7	Profit/Loss for the year#	
	i) Considered in Consolidation	
	ii) Not considered in Consolidation	

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

Meher Pudumjee
Chairperson
DIN: 00019581

M. S. Unnikrishnan
Managing Director and CEO
DIN: 01460245

Rajendran Arunachalam
Executive Vice President
& Group Chief Financial Officer

Kedar Phadke
Company Secretary

Place: Pune
Date: June 18, 2020

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