

CA Harsh Chandrakant Ruparelia

Registered Valuer – Securities or Financial Assets

(IBBI Registration No. IBBI/RV/05/2019/11106 and

Membership No. ICMAI RVO/S&FA/00054)

STRICTLY PRIVATE & CONFIDENTIAL

To,

The Board of Directors,

Thermax Cooling Solutions Limited

Thermax Instrumentation Limited

Thermax House, 14, Mumbai Pune Road,

Wakdewadi, Pune – 411 003.

Sub: Report on recommendation of Share Entitlement Ratio for Scheme of Arrangement between Thermax Cooling Solutions Limited (“TCSL” or “Demerged Company”) and Thermax Instrumentation Limited (“TIL” or “Resulting Company”) and their respective shareholders (“Scheme”)

Dear Sirs,

I refer to my engagement letter, whereby CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets (hereinafter referred to as “the Valuer” or “I”) has been appointed by the management of Thermax Cooling Solutions Limited [CIN: U29299PN2009PLC134761] and Thermax Instrumentation Limited [CIN: U72200MH1996PTC099050] to issue a report containing recommendation of Share Entitlement Ratio for the proposed Demerger of the Cooling Business (*as defined in the Scheme*) of TCSL and its vesting into TIL in terms of the Draft Scheme of Arrangement under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder.

TCSL and TIL may be individually referred to as “Company” or “Demerged Company” or “Resulting Company”, as the case maybe in terms of the Draft Scheme and the context stated therein and collectively hereinafter referred to as “Companies”.

Page 1 of 13

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Mumbai – 400 067

The Proposed Scheme would help in achieving benefits as provided for in Rationale to the Draft Scheme.

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, basis of recommendation and limitations to my scope of work. The report is structured as under:

1. Purpose of this Report
2. Background
3. Sources of Information
4. Valuation Approach
5. Share Entitlement Ratio
6. Exclusions and Scope Limitations

1. PURPOSE OF THIS REPORT

- 1.1 I understand that the management of the Companies is contemplating a Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and Rules and Regulations framed thereunder for demerger of the Cooling Business of TCSL into TIL in accordance with the applicable laws. The demerger is proposed to take effect from the Appointed Date as provided in the Scheme.
- 1.2 Further, as part of the Scheme, it is proposed that the face value of the equity shares of TCSL will to be reduced from INR 10 per share to INR 5 per share without any pay-out to the shareholder(s).
- 1.3 In this regard, CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets has been appointed by the Companies for recommendation of Share Entitlement Ratio for the proposed demerger considering 30th September 2022 as the Valuation Date.

2. BACKGROUND

2.1 THERMAX COOLING SOLUTIONS LIMITED (“TCSL”)

- 2.1.1 TCSL was incorporated on 6th October 2009 under the erstwhile provisions of the Companies Act, 1956. The registered office of TCSL is currently situated at Thermax House, 14, Mumbai Pune Road, Wakdewadi, Pune – 411 003 in the State of Maharashtra.
- 2.1.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of TCSL as on the date of this report is as under:

Particulars	Amount in INR
<u>Authorised Share Capital</u>	
5,00,00,000 Equity Shares of INR 10/- each	50,00,00,000
Total	50,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
2,00,00,000 Equity Shares of INR 10/- each, fully paid-up*	20,00,00,000
Total	20,00,00,000

* As part of the Scheme, it is proposed that the face value of the equity shares of TCSL will be reduced from INR 10 per share to INR 5 per share without any pay-out to the shareholder(s).

2.1.3 TCSL is a wholly owned subsidiary of Thermax Limited. It is primarily engaged in the business of providing various wet and dry cooling solutions for removal of heat from different processes in manufacturing industries. TCSL is also providing cooling solutions and providing air cooling condensers to power projects of Thermax Limited and external customers for power and energy business. Further, it is also engaged in the business of supply of equipment for power plant such as Electrostatic Precipitators (for plant sizes more than 300 MW) and Regenerative Air Preheaters (for plant sizes more than 300 MW)

2.2 THERMAX INSTRUMENTATION LIMITED (“TIL”)

2.2.1 TIL was incorporated on 23rd April 1996 under the erstwhile provisions of the Companies Act, 1956. The registered office of TIL is currently situated at Thermax House, 14, Mumbai Pune Road, Wakdewadi, Pune – 411 003 in the State of Maharashtra.

2.2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of TIL as on the date of this report is as under:

Particulars	Amount in Rs.
<u>Authorised Share Capital</u>	
90,00,000 Equity Shares of Rs. 10/- each	9,00,00,000
1,50,00,000, 1% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	15,00,00,000
Total	24,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
90,00,000 Equity Shares of Rs.10/- each, fully paid-up	9,00,00,000
Total	9,00,00,000

2.2.3 TIL is also a wholly owned subsidiary of Thermax Limited. It is primarily engaged in rendering erection, commissioning, civil works and operation and maintenance services for turnkey contracts for power plants.

3. SOURCES OF INFORMATION

3.1. For the purpose of the recommendation of the Fair Share Entitlement Ratio, I have relied upon the following sources of information provided by the management of the Companies:

- (a) Audited Financial Statements of the Companies for the year ended 31st March 2022;
- (b) Management certified provisional financial statements relating to the Demerged Undertaking of TCSL as on 30th September 2022;
- (c) Management certified provisional financial statements relating of TIL as on 30th September 2022;
- (d) Management certified projected financial statements (including key underlying assumptions) comprising of Balance Sheet, Statement of Profit and Loss and Cash Flow Statement relating to the Demerged Undertaking of TCSL for the period 1st October 2022 to 31st March 2023 and for FY 23-24 to FY 26-27;
- (e) Shareholding pattern of the Companies as on the date of this report;
- (f) Draft Scheme of Arrangement (as certified by the management of the Companies);
- (g) Terms of Non-Convertible Non-Cumulative Redeemable Preference Shares (“NCRPS”) to be discharged as consideration pursuant to the Scheme;
- (h) Memorandum and Articles of Association of the Companies;
- (i) Other relevant details of the Companies such as its history, past and present activities, future plans and prospects, and other relevant information; and
- (j) Such other information and explanations as required and which have been provided by the Management of the Companies.

Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Companies have been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.

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4. VALUATION APPROACH

4.1. "Value is a word of many meanings". The term "value" can have different connotations depending upon the purpose for which it is intended to be used. The Valuation of equity shares of any Company would need to be based on a fair value concept. The purpose of fair value is to enable valuer to exercise his discretion and judgement in light of all circumstances, in order to arrive at a value, which is fair to all parties.

4.2. For the purpose of the valuation exercise, generally the following valuation approaches are adopted:

- (a) the 'Underlying Asset' approach;
- (b) the 'Income' approach; and
- (c) the 'Market' approach.

4.3. 'Underlying Asset' Approach

(a) In case of the 'Underlying Asset' approach, the value per equity share is determined by arriving at the Net Assets (Assets Less Liabilities) of the Business Undertaking / Company. The said approach is considered taking into account fair value of assets and liabilities, to the extent possible, the respective asset would fetch or liability is payable as on the Valuation Date. The following adjustments be made to arrive at the Fair Value per Share as per the 'Underlying Asset' Approach at Fair Values:

- The Fair Value of Quoted Shares held by the Business Undertaking / Company, if any, be considered at Market Value of such shares;
- The Fair Value of Unquoted Shares held by the Business Undertaking / Company, if any, in other entities be arrived at as per suitable approach to that entity to arrive at Fair Value of Investments held by the Business Undertaking / Company;
- The Fair Value of Immovable properties, if any, held by the Business Undertaking / Company be considered at Market Value / Ready Reckoner Value as on the Valuation Date, made available by the management of the Company;
- Adjustments may be made to book value of any other assets for their recoverability on conservative basis after taking into account the management representations and their estimate of the recoverability of the same;
- Liabilities of the Business Undertaking / Company be considered at their respective Book Values or their payable amounts as on the Valuation Date; and

- Potential Contingent Liability, if any, be considered based on the discussions with the management and their reasonable estimate of the outflow on account of the same.
- (b) Alternatively, the value may be determined considering the book value of the net assets (Assets Less Liabilities) of the Business Undertaking / Company and/or replacement cost basis, to the extent possible.

4.4. 'Income' Approach

Under the 'Income' approach, the equity shares of the company can be valued using Discounted Cash Flow (DCF) method – FCFF approach or FCFE approach or such other approaches.

DCF Method – FCFF Approach (for instance)

- (i) Under the DCF method, the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and other adjustments are discounted at the Weight Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.
- (ii) Using the DCF method involves determining the following:
- *Estimating the future free cash flows:*
Future Free cash flows are the cash flows expected to be generated by the entity that are available to the providers of entity's capital. The free cash flows under the FCFF method are determined by adjusting the Profit after tax for Depreciation and other Non-Cash Items, Interest, Incremental working capital requirements and capital expenditure.
 - *Time Frame of such cash flows:*
The time frame for free cash flows is determined by separating the value of the business in the explicit projection period and the post explicit projection period.
 - *Appropriate Discount rate (WACC):*
Under DCF-FCFF Method, the time value of money is recognized by applying a discount rate viz. WACC to the future free cash flows to arrive at their present value as on the date of valuation. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the Business Undertaking / Company. In other words, WACC is generally the weighted average of the company's cost of equity capital and debt.

Normally, in stable growth companies, the cost of equity is determined by using Capital Asset Pricing Model ('CAPM').

- *Terminal or perpetuity value:*

The Perpetuity value of an ongoing business is determined as present value of the estimated future free cash flows by capitalizing the free cash flows of the last year of the explicit projection period into perpetuity using an appropriate rate of return and perpetual growth rate.

- *Valuation of Investment in other entities*

The investment of the Business Undertaking / Company in other entities is to be valued as per the valuation methodologies suitable to that entity.

- *Value for Equity Shareholders:*

The Value of Business so arrived considering the Net Present Value of the explicit period and terminal or perpetuity value is adjusted for net of cash & cash equivalents, loan funds and surplus assets viz. Deposits, Investments, etc. as on the valuation date to arrive at the value of the Business Undertaking or value for equity shareholders as on the Valuation Date.

4.5. 'Market' Approach

(a) Market Price Method ("MP Method")

Since the Companies are not listed on any stock exchange, the market price of the equity share of the Companies are not available and the said method is not applicable for the current valuation exercise.

(b) Comparable Companies Multiple Method ("CCM Method")

Under the CCM method, the value of the business / equity share of an unlisted company is determined based on publicly available information of the market valuations of the comparable companies on the basis of multiples derived from such market information. This method is applied on the premise that markets are perfect and have captured all the information and factors, which are reflected through their market valuations.

(c) Comparable Transaction Method ("CTM")

Under the CTM, the value of the business / equity share of an unlisted company is determined considering the past transactions of similar companies as well as the market value of comparable companies that have an equivalent business model to the business / company being valued.

- 4.6. The value so arrived at under any of the approaches is divided by the outstanding number of equity shares as on the Valuation Date to arrive at the value per equity share of the Company(ies).
- 4.7. Considering the nature of business of the Demerged Undertaking of TCSL and based on the review of projected financial statements of the Demerged Undertaking of TCSL made available to me by TCSL, I am of the view that 'Income' approach may be appropriate for the current valuation exercise for arriving at fair value per of the Demerged Undertaking of TCSL as the assets may not provide true reflection of the earning capacity of the Demerged Undertaking of TCSL. Further, based on the analysis and in my opinion, it may not be appropriate to consider CCM or CTM methods for the current valuation exercise, since the present nature or size of operations, financial parameters, etc. of the Demerged Undertaking may not reflect the true potential of business operations as that of the comparables.
- 4.8. Further, as the consideration for merger is proposed to be discharged by way of issue of NCRPS, the valuation of equity shares of TIL is not required to be undertaken.
- 4.9. It is universally recognized that the valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including nature of its business, overall objective of the transaction and the purpose of valuation.

5. SHARE ENTITLEMENT RATIO

- 5.1. In the ultimate analysis, recommendation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a business / share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:
- 'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the*

fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 5.2. The fair basis of Share Entitlement Ratio under the Scheme of Arrangement would have to be determined after taking into consideration all the factors and approach mentioned hereinabove. It is however important to note that in doing so, I am not attempting to arrive at the absolute value per share of the Companies or the Demerged Undertaking. The exercise is to work out relative value of the Demerged Undertaking of the Demerged Company and of the Resulting Company to facilitate the determination of a share entitlement ratio solely for the purpose of proposed Scheme.
- 5.3. The value per equity shares of the Demerged Undertaking of TCSL as per the 'Income' approach – DCF Method works out to **INR 8.49 per equity share** – Refer Annexure A.
- 5.4. Considering the terms of the RPS, I have thought it appropriate to consider the face value of INR 100 each of the RPS of TIL for the purpose of determining the share entitlement ratio.
- 5.5. In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report (including disclaimer and exclusions given below), in my opinion, I recommend that the share entitlement ratio for the proposed transfer of the Demerged Undertaking of the Demerged Company into the Resulting Company as given under, would be fair and reasonable:

“85 (Eighty-Five) 10% Non-Convertible Non-Cumulative Redeemable Preference Shares (“NCRPS”) of INR 100 (Rupees Hundred) each of the Resulting Company shall be issued and allotted for every 1,000 (One Thousand) fully paid-up equity share of INR 10* (Rupees Ten) each held in the Demerged Company”

** On capital reduction becoming effective as provided in the Scheme, INR 10 to be read as INR 5.*

6. EXCLUSIONS AND SCOPE LIMITATIONS

- 6.1. The report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 6.2. No investigation of the title of assets of the Companies has been made for the purpose of my recommendation and their claim to such rights has been

assumed to be valid as represented by the management of the Companies. Therefore, no responsibility is assumed for matters of a legal nature.

- 6.3. The recommendation is based on the estimates of future financial performance as projected by the management of TCSL, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to the commercial and financial aspects of the Demerged Undertaking and the industry in which the Company operates. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the projected financial statements may vary from those contained in the statement and the variation may be material. The fact that I have considered the projections in this valuation exercise should not be construed or taken as I being associated with or a party to such projections.
- 6.4. The work does not constitute certification of the historical financial statements including the working results of the Business Undertaking / Companies referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 6.5. This report is issued on the understanding that the Companies have drawn my attention to all material information, which they are aware of concerning the financial position of the Business Undertaking / Companies and any other matter, which may have an impact on my opinion, on the recommendation of the Share Entitlement Ratio of the Companies, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 6.6. This Report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Companies and other parties connected thereto.
- 6.7. In the course of issuing this report, I was provided with both written and verbal information. I have evaluated the information provided to me by the management of the Companies through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the management of the Companies and consequential impact on the recommendation of the Share Entitlement Ratio. I do not express any opinion or offer any assurance regarding accuracy or completeness of any information made available to me.
- 6.8. The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country

including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this Report.

- 6.9. The information contained herein and my report is confidential. Any person/party intending to provide finance/invest in the shares/businesses of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only with prior permission in writing.
- 6.10. This report has been prepared solely for the purpose of assisting the Companies, under consideration, for the purpose of recommending the fair Share Entitlement Ratio under the Scheme in accordance with my engagement letter. Further, the fees for this engagement is not contingent upon the recommendation considering the facts and purpose of recommendation.
- 6.11. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management / Board of Directors of the Companies and my work and finding shall not constitute recommendation as to whether or not the Management / the Board of Directors of the respective Companies should carry out the transaction.
- 6.12. By its very nature, valuation work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions / approach, opinions may differ due to application of the facts and assumptions / approach, formulas used and numerous other factors. There is, therefore, no indisputable single or standard methodology / approach for arriving at the recommendation. Although my conclusions are in my opinion reasonable, it is quite possible that others may not agree.
- 6.13. CA Harsh Chandrakant Ruparelia, nor its employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report is issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

If you require any clarifications on the above, I would be happy to clarify the same. I am thankful to your team for kind co-operation and support during this assignment.

Thanking you,

Yours faithfully,

HARSH C Digitally signed by
RUPARELIA HARSH C RUPARELIA
Date: 2022.12.20
11:56:12 +05'30'

CA HARSH CHANDRAKANT RUPARELIA

REGISTERED VALUER – Securities or Financial Assets

IBBI Registration No. IBBI/RV/05/2019/11106

Membership No. ICAI RVO/S&FA/00054

ICAI Membership No. 160171

Date: 20th December 2022

Place: Mumbai

UDIN: 22160171BFTFFY9096

CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

Annexure A

INR in Crores

Particulars		1 Oct 22 to 31 Mar 23	31-03-24	31-03-25	31-03-26	31-03-27	TV
PBT		0.80	0.05	0.70	1.60	3.11	3.27
Less: Tax		-	-	-	-	-	0.82
PAT		0.80	0.05	0.70	1.60	3.11	2.45
Depreciation		0.06	0.07	0.08	0.09	0.09	0.10
Interest (net of tax)		0.00	0.77	0.85	1.09	1.37	1.08
Adjustments:							
Adjustments for Working Capital		-4.65	-4.66	-0.86	-2.67	-3.11	-0.76
Additions to Fixed Assets (Net)		-	-0.10	-0.10	-0.10	-0.10	-0.10
Net Inflows/(Outflows)		-3.79	-3.87	0.67	0.01	1.36	2.76
Discounting Factor (WACC)	16%	0.95	0.83	0.72	0.62	0.53	
Net Present Value of Inflows/(Outflows)		-3.59	-3.22	0.48	0.00	0.72	

Calculation for Perpetuity	INR in Crores
FCFF for Perpetuity	2.76
Growth Rate	5%
Total Capitalised Value	25.10
Discount Factor	0.53
Present Value of Perpetuity	13.36

Equity Value of Company	INR in Crores
Net Present Value of Explicit Period	-5.59
Present Value of Perpetuity	13.36
FCFF	7.76
Add/(Less): Adjustments	
Cash and bank balances	9.08
PV of brought forward losses	0.14
Equity Value for Shareholders	16.98
No. of Equity Shares	20,000,000
Value per Share (INR)	8.49



IN THE NATIONAL COMPANY LAW TRIBUNAL

COURT No. V, MUMBAI BENCH

C.A. (CAA) / 284 (MB) / 2022

In the matter of the Companies Act, 2013

AND

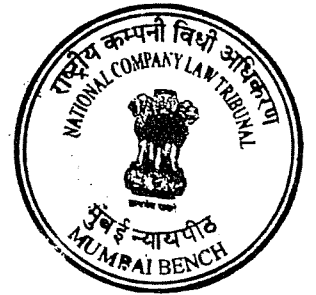
In the matter of Section 230 to Section 232 read with section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder;

AND

In the matter of Scheme of Arrangement presented under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder for the demerger of the Cooling Business ('Demerged Undertaking') of Thermax Cooling Solutions Limited ('First Applicant Company' or 'Demerged Company') having CIN U29299PN2009PLC134761 into Thermax Instrumentation Limited ('Second Applicant Company' or 'Resulting Company') having CIN U72200MH1996PTC099050 ('Scheme')

Thermax Cooling Solutions Limited, a)
company incorporated under the erstwhile)
provisions of the Companies Act, 1956,)
having its registered office at Thermax)
House, 14, Mumbai- Pune Road,)
Wakdewadi, Pune - 411003, Maharashtra,)
India.)

CIN: U29299PN2009PLC134761



)... FIRST APPLICANT COMPANY /
DEMERGED COMPANY



Thermax Instrumentation Limited, a)
company incorporated under the erstwhile)
provisions of the Companies Act, 1956,)
having its registered office at Thermax)
House, 14, Mumbai- Pune Road,)
Wakdewadi, Pune - 411003, Maharashtra,)
India.)

CIN: U72200MH1996PTC099050

)... SECOND APPLICANT
COMPANY / RESULTING
COMPANY

(First Applicant Company and the Second Applicant Company together referred to as "**Applicant Companies**").

Order delivered on: 06.01.2023

Coram: Hon'ble Shri Kuldip Kumar Kareer, Member (Judicial)
Hon'ble Smt. Anuradha Bhatia, Member (Technical)

Appearances (via videoconferencing):

For Applicant Companies: CA Harsh C. Ruparelia, i/b A R C H and Associates,
Authorised Representatives for the Applicant Companies

ORDER

1. The Court convened through videoconference.
2. The Authorized Representative for the Applicant Companies submits that the present scheme is a Scheme of Arrangement between Thermax Cooling Solutions Limited ("**First Applicant Company**" or "**Demerged Company**") and Thermax Instrumentation Limited ("**Second Applicant Company**" or "**Resulting Company**") and their respective shareholders under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder ("**Scheme**").





3. The Authorized Representative for the Applicant Companies submits that the First Applicant Company is engaged in the business of providing various wet and dry cooling solutions for removal of heat from different processes in manufacturing industries. The First Applicant Company is also providing cooling solutions and providing air cooling condensers to power projects of Thermax India and external customers for power and energy business. Further, it is also engaged in the business of supply of equipment for power plant such as Electrostatic Precipitators (for plant sizes more than 300 MW) and Regenerative Air Preheaters (for plant sizes more than 300 MW).
4. The Authorized Representative for the Applicant Companies submits that the Second Applicant Company is rendering erection, commissioning, civil works and operation and maintenance services for turnkey contracts for power plants.
5. The Authorized Representative for the Applicant Companies submits that the Applicant Companies are wholly owned subsidiaries of the same shareholder i.e., Thermax Limited. The business activities carried out by the First Applicant Company as a part of its Cooling Business and by The Second Applicant Company are complementary in nature and provide vertical integration for completion of power projects. The Board of Directors of the First Applicant Company and the Second Applicant Company are of the opinion that the Demerger of Cooling Business under this Scheme would result in benefit to members, creditors and employees of each of the First Applicant Company and the Second Applicant Company, will not be detrimental to the public and would result in expansion of Cooling Business attached with the increase in the value for its members in long run. The demerger, transfer and vesting of the Cooling Business of the First Applicant Company on a going concern basis to the Second Applicant Company will result in the following benefits for the group as whole:
 - a) Vertical integration of operations for Second Applicant Company resulting in enhanced co-ordination and flexibility in operations
 - b) Enhanced management focus on business of Second Applicant Company





Company post the proposed Demerger due to complementary business being consolidated under the same entity resulting in scalability and operative effectiveness

- c) Elimination of duplication of administrative and compliance functions resulting in cost saving

6. The Authorized Representative for the Applicant Companies further submits that, in consideration of transfer and vesting of the Demerged Undertaking of the First Applicant Company in the Second Applicant Company pursuant to this Scheme, the Second Applicant Company shall, without any further application, act, instrument or deed, issue and allot Redeemable Preference Shares in the Second Applicant Company credited as fully paid-up, to all the equity shareholder(s) of the First Applicant Company whose name is appear in the register of members of the First Applicant Company on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, in the following manner:

“85 (Eighty-Five) 10% Redeemable Preference Shares of the Second Applicant Company of INR 100 each credited as fully paid up for every 1,000 (One Thousand) equity shares held in the First Applicant Company of INR 10 each fully paid up.”*

**On Part B of the Scheme (reorganization of share capital and reduction of paid-up share capital of the Demerged Company) becoming effective as provided in the Scheme, INR 10 to be read as INR 5.*

7. The Authorized Representative for the Applicant Companies submits that the Board of Directors of the First Applicant Company and the Second Applicant Company vide their resolution dated **20th December 2022** approved the Scheme of Arrangement between Thermax Cooling Solutions Limited and Thermax Instrumentation Limited and their respective shareholders. The Appointed Date for the purpose of the Scheme means **April 2023** or such other date as may be fixed or approved by





relation to the Demerger of the Demerged Undertaking of the Demerged Company.

8. The Authorized Representative for the First Applicant Company further submits that pursuant to the provisions of Sections 230 to 232 read with Section 66 of the Act and upon the Scheme coming into effect, the issued, subscribed and paid-up share capital of the First Applicant Company shall stand reduced from INR 20,00,00,000 (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) equity shares with face value of INR 10 (Rupees Ten Only) per equity share to INR 10,00,00,000 (Rupees Ten Crores Only) divided into 2,00,00,000 (Two Crores Only) equity shares with face value of INR 5 (Rupees Five Only) per equity share without any payment or consideration to the shareholders of the First Applicant Company for effecting such reduction in face value and paid-up value per equity share, without any further act or deed as per Para 6 of the Scheme.
9. That there are 7 (Seven) Equity Shareholders in First Applicant Company and that the First Applicant Company having procured the consent affidavit from 6 (Six) Equity Shareholder holding 99.9999% of the total shareholding of the First Applicant Company which are annexed to the Company Scheme Application. The First Applicant Company undertakes to submit consent affidavit of the one shareholder representing 0.0001% shareholding at the time of filing of Company Scheme Petition. The undertaking is accepted. Therefore, the meeting of equity shareholders of the First Applicant Company is hereby dispensed with.
10. That there are 7 (Seven) Equity Shareholders in the Second Applicant Company and that the Second Applicant Company having procured the consent affidavits from all the Equity Shareholders which are annexed to the Company Scheme Application.
11. In view of the fact that the Equity Shareholders of the Applicant Companies have given their consent affidavits, the meetings of the Equity Shareholders





of the Applicant Companies are hereby dispensed with.

12. The Authorized Representative for the Applicant Companies submits that as on 30th November 2022, there are no Secured Creditors in the First Applicant Company and the Second Applicant Company, Therefore, the question of holding the meeting or sending notices to the Secured Creditors of the First Applicant Company and Second Applicant Company does not arise.
13. The Authorized Representative for the Applicant Companies submits that as on 30th November 2022, there are 70 (Seventy) Unsecured Creditors in the First Applicant Company amounting to INR 3,45,93,808/- (Rupees Three Crores Forty Five Lakhs Ninety Three Thousand Eight Hundred and Eight), and 315 (Three Hundred and Fifteen) Unsecured Creditors for the Second Applicant Company amounting to INR 23,82,87,833/- (Rupees Twenty-Three Crores Eighty-Two Lakhs Eighty Seven Thousand Eight Hundred and Thirty Three Only).
14. This Bench directs conduct of meetings of Unsecured Creditors of the First Applicant Company and Second Applicant Company as on 30th November 2022 as follows:
 - a) That the meeting of the Unsecured Creditors of the First Applicant Company be convened and held on 14th March 2023 at 2.30 pm through video conferencing or other audio-visual means for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme. The Unsecured Creditors of the First Applicant Company will be able to cast their vote in the meeting either in person or through proxy to the adoption of proposed Scheme.
 - b) That the meeting of the Unsecured Creditors of the Second Applicant Company be convened and held on 14th March 2023 at 4.30 pm through video conferencing or other audio-visual means for the purpose of considering and, if thought fit, approving with or without





modification(s) the proposed Scheme. The Unsecured Creditors of the Second Applicant Company will be able to cast their vote in the meeting either in person or through proxy to the adoption of proposed Scheme.

- c) That at least 30 clear days before the said meetings of the Unsecured Creditors of the First Applicant Company and the Second Applicant Company be held as aforesaid, a notice in the prescribed form CAA.2, convening the said meeting at the place, day, date and time as aforesaid, together with a copy of the Scheme, a copy of a statement disclosing all material facts as required under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 shall be sent by courier / R.P.A.D / hand delivery and e-mail to each of the Unsecured Creditors at their registered address / registered email-address as per the records of the respective Applicant Company. And in case the e-mail ids are not available, by way of registered post acknowledge due enclosing a copy of the Scheme, with instructions that they may submit their representations, if any, to the Tribunal within a period of 30 days from the date of receipt of such notice, and copy of such representations shall simultaneously be served upon the Applicant Companies.
- d) That at least 30 clear days before the said meetings of the Unsecured Creditors of First and Second Applicant Company to be held as aforesaid, an advertisement in prescribed Form No. CAA.2 as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, convening the said meetings indicating the place, day, date and time as aforesaid, stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 shall be served upon the Applicant Companies.





2016 copy of the Scheme can be obtained free of charge the Applicant Companies as aforesaid, be published once each in 'Business Standard' in English language and the translation thereof in 'Navshakti' in Marathi language both be circulated in Pune.

- e) That Mr. Ajit Sharma, failing him Mr. Prashant Bhosale, shall be the Chairman, for the above-mentioned meetings of the Unsecured Creditors of First and Second Applicant Company to be held as aforesaid or any adjournments thereof.
- f) That the Chairman to file an affidavit not less than 7 days before the date fixed for the holding of the meeting of the First Applicant Company and the Second Applicant Company and to report this Tribunal that the direction regarding the issue of notices and advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- g) The Chairman appointed for the aforesaid meeting of the First Applicant Company and the Second Applicant Company to issue the notices of the meeting of the Unsecured Creditors referred to above. The said Chairman shall have all powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
- h) That the quorum of the aforesaid meeting of the unsecured creditors of First and Second Applicant Company shall be 5 unsecured Creditors (in number) present in person or through proxy or as prescribed under Section 103 of the Companies Act, 2013. However, voting in case of body corporate be permitted through authorized





representative. The voting by proxy or authorised representative in case of body corporate shall be permitted provided that proxy or authorization duly signed by the person entitled to attend and vote at the meeting, is filed with the respective Applicant Companies, as applicable at its respective Registered Offices not later than, 48 hours before the aforesaid meeting as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

- i) The value and number of the Unsecured Creditors of the respective Applicant Companies, shall be in accordance with the books/ records maintained by the respective Applicant Companies and where the entries in the books/ records are disputed, the Chairperson of the meeting shall determine the value and number for the purpose of the aforesaid meeting and his decision in that behalf would be final.
- j) That the Chairman to report to this Tribunal, the result of the aforesaid meetings within 30 days of the conclusion of the meetings of First Applicant Company and Second Applicant Company The Authorized Representative for the Applicant Companies further clarifies that the Applicant Companies will file petition and comply with the provision of service of notices upon all the regulatory authorities.
- k) That the scrutinizer for the aforesaid meetings of First Applicant Company and Second Applicant Company shall be Mr. Surendra Vyas, Practicing Company Secretary (M. No. 9668 and C.P. No. 21404) with remuneration fixed at Rs. 10,000/- for each meeting.

15. The First Applicant Company is directed to serve notices of present Application along with its enclosures upon:- (i) concerned Income Tax Authority within whose jurisdiction the First Applicant Company is assessed to tax, bearing PAN No. AADCT2703M to the jurisdictional Income





Tax Officer, (ii) the Central Government through the office of Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, (iii) concerned Registrar of Companies, Maharashtra at Pune and (iv) concerned GST Authority within whose jurisdiction the First Applicant Company is assessed to tax, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with a direction that they may, if they so wish, submit their representations, if any, within a period of thirty days (30) from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the First Applicant Company failing which, it shall be presumed that the authorities have no representations to make on the proposed Scheme.

16. The Second Applicant Company is directed to serve notices of present Application along with its enclosures upon:- (i) concerned Income Tax Authority within whose jurisdiction the Second Applicant Company is assessed to tax, bearing PAN No. AACCT1032C to the jurisdictional Income Tax Officer; (ii) the Central Government through the office of Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, (iii) concerned Registrar of Companies, Maharashtra at Pune and (iv) concerned GST Authority within whose jurisdiction the Second Applicant Company is assessed to tax, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with a direction that they may, if they so wish, submit their representations, if any, within a period of thirty days (30) from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the Second Applicant Company failing which, it shall be presumed that the authorities have no representations to make on the proposed Scheme.

17. The Authorized Representative for the Applicant Companies further clarifies that the Applicant Companies will file petition and comply with the provision of service of notices upon all the regulatory authorities.





18. That the Applicant Companies to file an Affidavit of Service of the directions given by the Tribunal in the Registry for service of notice to the regulatory authorities as stated above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with. The Applicant Companies are also directed to include in the affidavit of service of proof of dispatch of documents sent to unsecured creditors of the Applicant Companies, wherever applicable or as directed hereinabove.

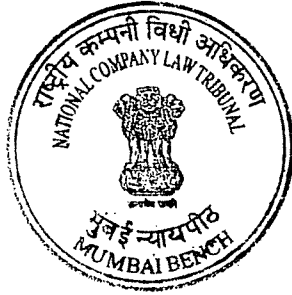
19. Ordered accordingly.

Sd/-

Anuradha Sanjay Bhatia
Member (Technical)

Sd/-

Kuldip Kumar Kareer
Member (Judicial)



Certified True Copy
Copy Issued "free of cost"
On 17/01/2023

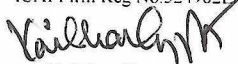
P. S. Sonawane
Deputy Registrar 17.01.2023
National Company Law Tribunal Mumbai Bench
(D. 0932) 17/01/2023

Thermax Instrumentation Limited
Balance Sheet as at March 31, 2022
(All amounts are in Rupees Lakh, unless stated otherwise)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
Assets			
I. Non-current assets			
Property, plant and equipment	4	117.94	132.02
Financial assets:			
(a) Trade receivables	5 (a)	419.57	563.23
Deferred tax assets (net)	6	284.25	293.41
Income tax assets (net)		2,710.95	2,845.11
Other assets	7 (a)	529.22	520.46
Total Non-current assets		4,061.93	4,354.23
II. Current assets			
Financial assets:			
(a) Investments	8	575.03	-
(b) Trade receivables	5 (b)	4,701.57	3,458.40
(c) Cash and cash equivalents	9 (a)	973.92	1,726.81
(d) Bank balances other than (c) above	9 (b)	-	700.61
(e) Loans	10	4.24	4.94
(f) Other assets	11	1,536.36	1,882.79
Other assets	7 (b)	1,814.35	1,494.24
Total Current assets		9,605.47	9,267.79
Total Assets		13,667.40	13,622.02
Equity and Liabilities			
I. Equity			
Equity share capital	12	900.00	900.00
Other equity	13	3,444.67	3,067.46
Total equity		4,344.67	3,967.46
II. Non-current liabilities			
Financial liabilities:			
(a) Trade payables	14 (a)	250.51	633.18
Other liabilities	15(a)	-	189.39
Total non-current liabilities		250.51	822.57
III. Current liabilities			
Financial liabilities:			
(a) Trade payables	14 (b)		
- total outstanding dues of micro and small enterprises		388.12	52.71
- total outstanding dues of creditors other than micro and small enterprises		4,419.82	4,351.82
(b) Other liabilities	16	249.84	188.90
Other liabilities	15(b)	3,804.94	3,913.17
Provisions	17	209.50	325.39
Total current liabilities		9,072.22	8,831.99
Total equity and liabilities		13,667.40	13,622.02
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.

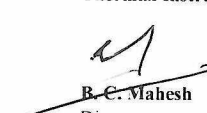
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No. 324982E E300003


per Vaibhav Kumar Gupta
Partner
Membership No. 213935


Place: Pune
Date: May 17, 2022





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


B. C. Mahesh
Director
DIN: 06631816


Rajendran Arunachalam
Director
DIN: 08446343


M.L. Bindra
Chief Executive Officer


Harish Tikotkar
Chief Financial Officer


Sudhir Lale
Company Secretary

Place: Pune
Date: May 17, 2022



Thermax Instrumentation Limited
Statement of profit and loss for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Particulars	Note No.	March 31, 2022	March 31, 2021
Income			
Revenue from operations	18	14,743.65	11,714.51
Other income	19	413.94	246.45
Total Income (I)		15,157.59	11,960.96
Expenses			
Project bought-out and components		503.69	190.53
Employee benefits expense	20	2,823.33	3,096.55
Finance cost	21	6.25	1.79
Depreciation expense	22	23.25	27.56
Other expenses	23	10,237.93	7,267.63
Total Expenses (II)		13,594.45	10,584.06
Profit before tax (III = I-II)		1,563.14	1,376.90
Tax expense			
Current tax	26	587.58	656.19
Adjustment of tax relating to earlier periods	26	68.70	-
Deferred tax	26	11.45	(55.56)
Total tax expense (IV)		667.73	600.63
Profit for the year (V = III-IV)		895.41	776.27
Other comprehensive income			
A. Items that will be reclassified subsequently to profit or loss			
Net gain / (loss) on translation of foreign operations	27	28.63	(84.52)
Less: Income tax effect		-	-
		28.63	(84.52)
B. Items that will not be reclassified subsequently to profit or loss			
Re-measurement (loss)/gain of defined benefit plan	27	(9.12)	7.87
Less: Income tax effect		2.29	(1.98)
		(6.83)	5.89
Total other comprehensive income for the year (net of tax) (VI)		21.80	(78.63)
Total comprehensive income for the year (VII = V+VI)		917.21	697.64
Earning per equity share	28	9.95	8.63
[Nominal value Rs. 10 each (March 31, 2021: Rs. 10)]			
Basic and diluted			
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 SRBC & CO LLP
Chartered Accountants
ICAI Firm Reg No.324982/E/300003



per Vaibhav Kumar Gupta
Partner
Membership No. 213935

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


B. C. Mahesh
Director
DIN: 06631816


Rajendran Arunachalam
Director
DIN: 08446343

Place: Pune
Date: May 17, 2022





M.L. Bindra
Chief Executive Officer



Harish Tikotkar
Chief Financial Officer



Sudhir Lale
Company Secretary

Place: Pune
Date: May 17, 2022



Thermax Instrumentation Limited
Statement of Changes in Equity for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

A Equity share capital*

	Note	March 31, 2022	March 31, 2021
Balance at the beginning of the year	12	900.00	900.00
Change in equity shares capital during the year	12	-	-
Balance at the end of the year	12	900.00	900.00

B Other equity*

	Reserves and surplus			Items of OCI	Total Other Equity
	Capital reserve	Retained Earnings	Total	Foreign Currency Translation Reserve	
As at April 01, 2020	2,118.84	1,246.50	3,365.34	84.48	3,449.82
Profit for the year	-	776.27	776.27	-	776.27
Other Comprehensive Income (net) (note 27)	-	5.89	5.89	(84.52)	(78.63)
Dividends paid	-	(1,080.00)	(1,080.00)	-	(1,080.00)
As at March 31, 2021	2,118.84	948.66	3,067.50	(0.04)	3,067.46
Profit for the year	-	895.41	895.41	-	895.41
Other Comprehensive Income (net) (note 27)	-	(6.83)	(6.83)	28.63	21.80
Dividends paid	-	(540.00)	(540.00)	-	(540.00)
As at March 31, 2022	2,118.84	1,297.24	3,416.08	28.59	3,444.67

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

For SRBC & CO LLP
 Chartered Accountants
 ICAI Firm Reg No.324982E/E300003

Vaibhav Kumar Gupta

per Vaibhav Kumar Gupta
 Partner
 Membership No. 213935

Place: Pune
 Date: May 17, 2022



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

B. E. Mahesh
 B. E. Mahesh
 Director
 DIN: 06631816

Rajendran Arunachalam
 Rajendran Arunachalam
 Director
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M.L. Bindra

M.L. Bindra
 Chief Executive Officer

Harish Tikotkar
 Harish Tikotkar
 Chief Financial Officer

Sudhir Lale

Sudhir Lale
 Company Secretary

Place: Pune
 Date: May 17, 2022



Thermax Instrumentation Limited
Cash Flow Statement for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A) Cash flows from operating activities		
Profit before tax	1,563.14	1,376.90
Adjustments to reconcile profit before tax to net cash flows		
Depreciation on Property, Plant & Equipment	23.25	27.56
Provision for impairment allowance of financial assets (net)	114.80	77.76
Interest expense	6.25	1.79
Bad debts/advances written off	17.81	112.30
Loss / (Gain) on sale/discard of assets (net)	(3.02)	0.16
Interest income from bank	(25.17)	(66.45)
Interest income - others	(31.32)	(9.35)
Net foreign exchange (Gain)/Loss	(9.91)	(27.13)
Fair value gain on financial instruments at fair value through profit and loss (net)	(0.53)	(3.41)
Liabilities no longer required written back	(288.45)	(94.95)
Cash flows before working capital changes	1,366.85	1,395.18
Working capital adjustments		
(Increase)/Decrease in trade receivables	(1,170.63)	502.95
(Increase)/Decrease in other non-current assets	(8.76)	19.43
Decrease / (Increase) in other financial assets	285.00	(1,061.71)
(Increase) in other current assets	(320.11)	(276.53)
Decrease/(Increase) in loans	0.70	0.21
Increase in trade payables	319.08	395.42
(Decrease)/Increase in other non-current liabilities	(189.39)	172.76
(Decrease)/Increase in other current liabilities	(108.23)	449.26
Increase/(Decrease) in other financial liabilities	60.94	(12.07)
(Decrease)/Increase in provisions	(115.89)	156.30
Cash from generated from operations	(1,247.29)	346.02
Direct taxes paid (net of refunds)	119.56	1,741.20
Net cash flow (used in) from operating activities	(499.96)	(772.07)
	(380.40)	969.13
B) Cash flows from / (used in) investing activities		
Purchase of property, plant and equipment	(10.33)	(7.49)
(Investment) / Redemption of investments (net)	(574.97)	200.56
Interest income from bank	25.17	66.45
Net proceeds from sale of property, plant and equipment	4.18	0.02
Redemption / (Investment) in fixed deposits (net)	700.61	(539.58)
Net gain on sale of investments	0.47	3.41
Net cash flows from / (used in) investing activities	145.13	(276.63)
C) Cash flows (used in) financing activities		
Interim Dividend Paid	(540.00)	(1,080.00)
Interest paid	(6.25)	(1.79)
Net cash flows (used in) financing activities	(546.25)	(1,081.79)
Net (decrease) / increase in cash and cash equivalents	(781.52)	(389.29)
Cash and cash equivalents at the beginning of the year	1,726.81	2,200.62
Effect of exchange differences on translation of foreign operations	28.63	(84.52)
Cash and cash equivalents at the end of the year	973.92	1,726.81

Reconciliation of cash and cash equivalents as per the Cash Flow Statement:

	Note No.	March 31, 2022	March 31, 2021
Cash and cash equivalents	9 (a)	973.92	1,726.81
Balances as per Cash flow statement		973.92	1,726.81

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

per Vaibhav Kumar Gupta
Partner
Membership No. 213935

Place: Pune
Date: May 17, 2022



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

B. C. Mahesh
Director
DIN: 06631816

Rajendran Arunachalam
Director
DIN: 08446343

M.L. Bindra
Chief Executive Officer

Harish Tikotkar
Chief Financial Officer

Sudhir Lale
Company Secretary

Place: Pune
Date: May 17, 2022



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

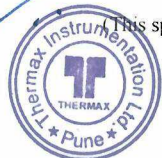
4 Property, plant and equipment*

Particulars	Leasehold land #	Buildings	Plant and equipment	Office equipment	Computer	Total
Gross carrying amount						
As at April 01, 2020	12.22	304.19	71.87	339.58	53.69	781.55
Additions	-	-	-	5.61	1.90	7.51
Disposals	-	-	-	-	(2.99)	(2.99)
As at March 31, 2021	12.22	304.19	71.87	345.19	52.60	786.07
Additions	-	-	-	1.91	8.42	10.33
Disposals	-	-	-	(168.68)	(3.73)	(172.41)
As at March 31, 2022	12.22	304.19	71.87	178.42	57.29	623.99
Accumulated depreciation						
As at April 01, 2020	3.99	198.63	45.24	338.11	43.32	629.29
Charge for the year	0.18	10.16	4.91	5.68	6.64	27.57
Disposals	-	-	-	-	(2.81)	(2.81)
As at March 31, 2021	4.17	208.79	50.15	343.79	47.15	654.05
Charge for the year	0.18	9.98	4.92	3.31	4.86	23.25
Disposals	-	-	-	(168.68)	(2.57)	(171.25)
As at March 31, 2022	4.35	218.77	55.07	178.42	49.44	506.05
Net Block						
As at March 31, 2022	7.87	85.42	16.80	-	7.85	117.94
As at March 31, 2021	8.05	95.40	21.72	1.40	5.45	132.02

The above asset has been taken on operating lease.

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

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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

5 Trade receivables
 5 (a) Non current trade receivables

	As at March 31, 2022	As at March 31, 2021
At amortized cost		
Trade receivables		
(i) Related Parties (note 33)	419.57	563.23
(ii) Others	-	-
Total receivables	419.57	563.23
Break-up of security details		
Secured, considered good	-	-
Unsecured, considered good	723.03	898.88
Trade Receivables which have a significant increase in credit risk	-	-
Trade receivables- credit impaired	-	-
	723.03	898.88
Less: impairment allowance	(303.46)	(335.65)
Total	419.57	563.23

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

Particulars	Not Due*	Unbilled	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022								
(i) Undisputed Trade Receivables- considered good	723.03	-	-	-	-	-	-	723.03
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
	723.03	-	-	-	-	-	-	723.03
Less: impairment allowance								(303.46)
Total								419.57

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

Particulars	Not Due*	Unbilled	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2021								
(i) Undisputed Trade Receivables- considered good	898.88	-	-	-	-	-	-	898.88
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
	898.88	-	-	-	-	-	-	898.88
Less: impairment allowance								(335.65)
Total								563.23

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



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

5 (b) Current trade receivables

	As at March 31, 2022	As at March 31, 2021
At amortized cost		
Trade receivables		
(i) Related Parties (note 33)	2,965.03	2,784.78
(ii) Others	1,736.54	673.62
Total receivables	4,701.57	3,458.40
Break-up of security details		
Secured, considered good	178.86	215.26
Unsecured, considered good	5,424.61	4,049.89
Trade Receivables which have a significant increase in credit risk	74.56	74.56
Trade Receivables - credit impaired	20.58	25.28
	5,698.61	4,364.99
Less: Impairment allowance	(997.04)	(906.59)
Total	4,701.57	3,458.40

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

Particulars	Not Due	Unbilled	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022								
(i) Undisputed Trade Receivables- considered good	1,970.87	34.52	2,530.67	259.32	73.12	57.26	677.71	5,603.47
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	74.56	74.56
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	20.58	-	20.58
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
Less: impairment allowance*	1,970.87	34.52	2,530.67	259.32	73.12	77.84	752.27	5,698.61 (997.04)
Total								4,701.57

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

Particulars	Not Due	Unbilled	Outstanding for the following period from due date of payments					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2021								
(i) Undisputed Trade Receivables- considered good	2,587.75	8.82	545.83	56.57	374.04	48.94	643.20	4,265.15
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	74.56	74.56
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	25.28	-	-	25.28
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-	-
Less: impairment allowance*	2,587.75	8.82	545.83	56.57	399.32	48.94	717.76	4,364.99 (906.59)
Total								3,458.40

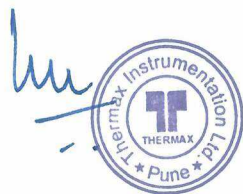
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. For terms and conditions relating to related party receivables, refer note 33.

*Includes provision of Rs. 74.56 (March 31, 2021 Rs. 74.56) for trade receivables which have significant increase in credit risk and provision of Rs. 20.58 (March 31, 2021 Rs. 25.28) for trade receivables which are credit impaired.

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

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

At March 31, 2022 the company has Rs.2,000.00 (March 31, 2021: Rs 3,000.00) undrawn borrowing facilities hypothecated against trade receivables



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

6 Deferred tax assets (net)

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Retained earnings of foreign branches	(147.80)	(161.79)
Unrealized foreign exchange gain	(0.26)	(0.26)
	(148.06)	(162.05)
Deferred tax assets		
Accelerated depreciation for tax purpose	22.15	24.77
Provision for doubtful receivables	301.47	288.03
Items allowed on payment basis	30.51	70.40
Temporary differences in accounting treatment as required by income tax standards	28.55	56.97
Other (includes deferred tax balances pertaining to branches)	49.63	15.29
	432.31	455.46
Deferred tax assets (net)	284.25	293.41

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



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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

7 Other assets

7 (a) Other non-current assets

	As at March 31, 2022	As at March 31, 2021
Balances with government authorities		
Unsecured, considered good	529.22	520.46
Unsecured, considered doubtful	40.04	40.04
	569.26	560.50
Less : Impairment allowance	(40.04)	(40.04)
Total	529.22	520.46

7 (b) Other current assets

	As at March 31, 2022	As at March 31, 2021
Unsecured considered good		
Advances to suppliers	699.15	639.55
Advances to employees	124.90	64.95
Prepaid expenses	69.20	59.17
Balances with government authorities	877.24	652.94
Prepayments (note 32)	33.22	55.01
Others	10.64	22.62
Total	1,814.35	1,494.24

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

8 Investments

	Face value	As at March 31, 2022	As at March 31, 2021
Investments at Fair value through profit or loss			
Investments in Mutual Funds :			
Liquid/ liquid plus and duration funds (unquoted)			
Axis Overnight Fund Direct Growth	Rs. 1,000	400.02	-
Kotak Overnight Fund Direct Growth	Rs. 1,000	175.01	-
		575.03	-
Number of units held for above investments			
Axis Overnight Fund Direct Growth		35,593.95	-
Kotak Overnight Fund Direct Growth		15,435.62	-
Aggregate amount of unquoted investments		575.03	-
Aggregate amount of impairment in the value of investments		-	-

Investment in fair value through profit or loss reflect investment in unquoted equity securities. Refer note 34 for determination of their fair values



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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

9 (a) Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with banks		
- in current accounts *	973.47	1,276.27
- in deposits with original maturity of less than three months#	-	450.03
Cash on hand	0.45	0.51
Total	973.92	1,726.81

* this includes bank balances of Rs. 624.22 (March 31, 2021 Rs. 905.03) 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.

#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.

9 (b) Other bank balances

	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity of more than 3 months but less than 12 months	-	700.61
Total	-	700.61

10 Loans

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
At amortised cost		
Loans to employees	4.24	4.94
Total	4.24	4.94

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

11 Other financial assets

	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unbilled revenue (note 18) *	1,460.14	1,802.78
Trade deposits #	59.85	63.23
Security deposits	16.37	16.78
Total	1,536.36	1,882.79

* Unbilled revenue is net of impairment allowance of Rs. 80.70 (March 31, 2021: Rs. 19.27) as at the balance sheet date.

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



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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

12 Share capital

	As at March 31, 2022	As at March 31, 2021
Authorized shares (Nos)		
9,000,000 (March 31, 2021: 9,000,000) equity shares of Rs. 10/- each	900.00	900.00
	900.00	900.00
Issued, subscribed and fully paid share capital (Nos)		
9,000,000 (March 31, 2021: 9,000,000) equity shares of Rs. 10/- each	900.00	900.00
Total issued, subscribed and fully paid-up share capital	900.00	900.00

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

	No. of shares	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid		
At April 01, 2020	9,000,000	900.00
Changes during the year	-	-
At March 31, 2021	9,000,000	900.00
Changes during the year	-	-
At March 31, 2022	9,000,000	900.00

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by holding company/ promoter

	As at March 31, 2022	As at March 31, 2021
Thermax Limited		
9,000,000 (March 31, 2021: 9,000,000) equity shares of Rs. 10/- each fully paid	900.00	900.00

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

	As at March 31, 2022	As at March 31, 2021
Thermax Limited		
%	100.00	100.00
No. of shares (including 6 share held by nominee shareholders)*	9,000,000	9,000,000

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

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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

13 Other equity

	As at March 31, 2022	As at March 31, 2021
Reserves and surplus		
Capital reserve	1,118.84	1,118.84
Capital Redemption Reserve		
Opening balance	1,000.00	1,000.00
Add: Transfer during the year	-	-
Balance at the end of the year	1,000.00	1,000.00
Retained earnings		
Opening balance	788.45	1,086.29
Add: Profit for the year	895.41	776.27
Less: Transfer to Capital Redemption Reserve	-	-
Less: Interim Dividend Paid	(540.00)	(1,080.00)
Movement during the year	355.41	(303.73)
Items of other comprehensive income recognized directly in retained earnings:		
Re-measurement gain/(loss) on post-employment benefit plans, net of tax Rs.2.29 (March 31, 2021 Rs. 1.98)	(6.83)	5.89
Net Surplus in the Statement of profit and loss	1,137.03	788.45
Total Reserves and surplus	3,255.87	2,907.29
Other Reserve		
Foreign Currency Translation Reserve		
Opening balance	(0.04)	84.48
Add/ (Less): movement during the year	28.63	(84.52)
Closing balance	28.59	(0.04)
Fair value adjustment of redeemable preference shares, net of tax Rs. 65.82 (March 31, 2021 Rs. 65.82)	160.21	160.21
Total	3,444.67	3,067.46

Capital reserve

Capital Reserve pertains to reserves arising on amalgamations in the earlier years which is required to be maintained as per statute and is not distributable to the shareholders.

Capital Redemption Reserve

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

Foreign Currency Translation Reserve

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



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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

14 Trade payable
14 (a) Non-current trade payables

	As at March 31, 2022	As at March 31, 2021
Trade payables :		
(i) Others	250.51	633.18
Total	250.51	633.18

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

Particulars	Not Due	Outstanding for the following period from due date of payments				Total
		Less than a year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022						
(i) Outstanding dues of micro and small enterprises	-	-	-	-	-	-
(ii) Outstanding dues of creditors other than micro and small enterprises	243.05	-	-	-	-	243.05
(iii) Disputed dues of micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro and small enterprises	7.46	-	-	-	-	7.46
Total	250.51	-	-	-	-	250.51

Particulars	Not Due	Outstanding for the following period from due date of payments				Total
		Less than a year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2021						
(i) Outstanding dues of micro and small enterprises	-	-	-	-	-	-
(ii) Outstanding dues of creditors other than micro and small enterprises	625.72	-	-	-	-	625.72
(iii) Disputed dues of micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro and small enterprises	7.46	-	-	-	-	7.46
Total	633.18	-	-	-	-	633.18

14 (b) Current trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises (note 14 (c))	388.12	52.71
Total outstanding dues of creditors other than micro and small enterprises		
(i) Related parties (note 33)	107.93	222.82
(ii) Others	4,311.89	4,129.00
Total	4,807.94	4,404.53

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

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

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

Particulars	Not Due	Outstanding for the following period from due date of payments				Total
		Less than a year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022						
(i) Outstanding dues of micro and small enterprises	377.86	-	-	-	-	377.86
(ii) Outstanding dues of creditors other than micro and small enterprises	299.06	1,870.75	429.29	268.03	365.54	3,232.67
(iii) Disputed dues of micro and small enterprises	10.26	-	-	-	-	10.26
(iv) Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Subtotal	687.18	1,870.75	429.29	268.03	365.54	3,620.79
Unbilled trade payables						1,187.15
Total						4,807.94

Particulars	Not Due	Outstanding for the following period from due date of payments				Total
		Less than a year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2021						
(i) Outstanding dues of micro and small enterprises	42.95	-	-	-	-	42.95
(ii) Outstanding dues of creditors other than micro and small enterprises	883.10	1,121.53	263.56	196.13	438.03	2,902.35
(iii) Disputed dues of micro and small enterprises	9.76	-	-	-	-	9.76
(iv) Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
Total	935.81	1,121.53	263.56	196.13	438.03	2,955.06
Unbilled trade payables						1,449.47
Total						4,404.53



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

14 (c) Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

	March 31, 2022	March 31, 2021
The principal amount and the interest due thereon remaining unpaid to		
- Principal amount outstanding (whether due or not) to micro and small enterprises	388.12	52.71
- Interest due thereon	0.18	-
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	0.95	0.23
The amount of payment made to the supplier beyond the appointed day during the period	152.11	31.94
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	1.13	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	1.31	-
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	-	-



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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

15 Other Liabilities

15(a) Other non-current liabilities

	As at March 31, 2022	As at March 31, 2021
Customer advances		
(i) Related Parties (note 33)	-	189.39
Total	-	189.39

15(b) Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Unearned revenue (note 18)	1,072.04	1,268.35
Customer advances		
(i) Related Parties (note 33)	1,849.84	1,341.70
(ii) Others	691.24	1,036.88
Statutory dues and other liabilities*	191.82	266.24
Total	3,804.94	3,913.17

* mainly includes goods and services tax, tax deducted at source, provident fund, etc.

16 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
At amortized cost		
Employee related payables	193.06	134.11
Customer deposits	56.72	54.71
Payable against tangible assets	0.03	0.03
Other payables	0.03	0.05
Total	249.84	188.90

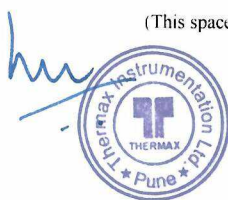
17 Current provisions

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for leave encashment	96.06	99.05
	96.06	99.05
Other provisions		
Provision for onerous contracts	113.44	226.34
	113.44	226.34
Total	209.50	325.39

	March 31, 2022	March 31, 2021
Movement in provisions for onerous contracts		
As at April 1, 2021	226.34	72.31
Additional provision recognized	58.67	161.24
Provision (utilized)/ (reversed) during the year	(171.57)	(7.21)
As at March 31, 2022	113.44	226.34

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

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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

18 Revenue from operations

(a) Revenue from contracts with customers:

	March 31, 2022	March 31, 2021
Revenue from services	14,543.29	11,622.91
Total revenue from contracts with customers	14,543.29	11,622.91

(b) Other operating income

	March 31, 2022	March 31, 2021
Sale of Scrap	141.09	66.62
Exchange fluctuation gain (net)	59.27	24.98
	200.36	91.60
Total revenue from operations	14,743.65	11,714.51

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

i) Revenue by category of contracts:

	March 31, 2022	March 31, 2021
Over a period of time basis	10,771.38	7,466.78
At a point-in-time basis	3,771.91	4,156.13
Total revenue from contracts with customer	14,543.29	11,622.91

Revenue by geographical market

	March 31, 2022	March 31, 2021
Within India	10,392.30	6,832.06
Outside India	4,150.99	4,790.85
Total revenue from contracts with customer	14,543.29	11,622.91

ii) Contract balances

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

	As at March 31, 2022	As at March 31, 2021
Trade receivables (note 5(a) and 5(b))	5,121.14	4,021.63
Unbilled revenue (Contract asset) (note 11)	1,460.14	1,802.78
Unearned revenue (Contract liability) (note 15(b))	1,072.04	1,268.35
Customer advances (Contract liability) (note 15(a) and 15(b))	2,541.08	2,567.97

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

The Contract liabilities relate to the unearned revenue (excess of billings or invoicing over revenue) and advance consideration received from customers and performance obligations still to be fulfilled as per the contracts. The fulfilment of the performance obligations will extinguish these liabilities and revenue will be recognised, with no impact on the Company's cash position.

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

	Provisions on Trade Receivables		Provisions on contract assets	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
At the beginning of the year	1242.24	1154.12	19.27	34.00
Provisions Made During the year	222.42	221.64	61.43	-
Utilized/ reversed during the year	(164.16)	(133.52)	-	(14.73)
At the end of the year	1300.50	1242.24	80.70	19.27

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

	March 31, 2022	March 31, 2021
Unearned revenue	1,223.04	930.74
Customer advance	1,213.27	910.53

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

	As at March 31, 2022	As at March 31, 2021
Opening unbilled revenue (note 11)	1,802.78	781.04
Opening unearned revenue (note 15(b))	1,268.35	1,159.18
- Transfer of contract assets to receivable from opening unbilled revenue	1,494.00	644.63
- Increase in revenue as a result of changes in the measure of progress from the opening unearned revenue	1,223.04	930.74
- Transfer of contract assets to receivable	9,265.77	6,097.67
- Increase in revenue as a result of changes in the measure of progress	9,548.68	6,535.22
- Others*	(158.28)	188.91
Closing unbilled revenue (note 11)	1,460.14	1,802.78
Closing unearned revenue (note 15(b))	1,072.04	1,268.35

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

Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
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v) Performance obligations

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

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

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

Remaining performance obligations

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

	March 31, 2022	March 31, 2021
Amount of revenue yet to be recognised for contracts in progress	20,520.69	19,144.26

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

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

vi) Reconciliation between revenue recognised in Statement of profit and loss and contract price

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

The Company 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 Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future period.

19 Other income

	March 31, 2022	March 31, 2021
Interest income from financial assets at amortized cost		
Bank deposits	25.17	66.45
Other Interest income	31.32	9.35
Profit on sale of property plant and equipment	3.02	-
Fair value gain on mutual funds at fair value through profit or loss	0.53	3.41
Rent income (note 30)	65.38	65.14
Liabilities no longer required written back	288.45	94.95
Miscellaneous income (includes brokerage income and recovery of liquidated damages)	0.07	7.15
Total	413.94	246.45

20 Employee benefits expense

	March 31, 2022	March 31, 2021
Salaries and wages	2,672.70	2,925.61
Contribution to provident and other funds	104.76	112.74
Gratuity expense (note 32)	20.58	17.52
Staff welfare expenses	25.29	40.68
Total	2,823.33	3,096.55

21 Finance costs

	March 31, 2022	March 31, 2021
Interest expense	6.25	1.79
Total	6.25	1.79

22 Depreciation expense

	March 31, 2022	March 31, 2021
Depreciation on property, plant and equipment (note 4)	23.25	27.56
Total	23.25	27.56



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

23 Other expenses

	March 31, 2022	March 31, 2021
Consumption of stores and spare parts	42.41	12.88
Power and fuel	11.65	8.57
Freight and Forwarding charges	0.08	0.71
Site expenses and contract labour charges	9,326.54	6,344.84
Advertisement and sales promotion	3.77	14.75
Rent (note 30)	77.87	76.88
Rates and taxes	58.87	73.96
Insurance	34.54	38.69
Repairs and maintenance		
Plant and machinery	0.11	-
- Others	7.80	1.00
Travelling and conveyance	174.86	148.33
Legal and professional fees (includes payment to auditors; note 24)	211.62	193.67
Director's sitting fees (note 33)	8.80	10.60
Bad debts/ advances written off	17.81	112.30
Provision for impairment of financial assets (net of reversals)	114.80	77.76
Loss on sale/ discard of assets (net)	-	0.16
Corporate Social Responsibility expenditure (note 25)	26.10	31.36
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	120.30	121.17
Total	10,237.93	7,267.63

24 Payment to auditors

	March 31, 2022	March 31, 2021
As auditor		
Audit fee	11.50	8.50
Services relating to branch audit	15.94	16.17
Reimbursement of expenses	-	0.56
Total	27.44	25.23

25 Corporate Social Responsibility

	March 31, 2022	March 31, 2021
Gross amount required to be spent by the Company during the year	26.02	30.09
Total	26.02	30.09

Amount spent during the year

	In Cash	Yet to be spent in cash	Total
During the year ended March 31, 2022			
a. Construction/ acquisition of any asset	-	-	-
b. On purposes other than (a) above *	26.10	-	26.10
	26.10	-	26.10
During the year ended March 31, 2021			
a. Construction/ acquisition of any asset	-	-	-
b. On purposes other than (a) above *	31.36	-	31.36
	31.36	-	31.36

* The amount is contributed to Thermax Foundation, India (refer note 33) which is engaged in the education of economically underprivileged children by addressing social discrimination through affirmative action, skill development and employability initiatives. There is no shortfall in contribution for March 31, 2022.



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

26 Income taxes

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

Statement of profit and loss

	As at March 31, 2022	As at March 31, 2021
Current income tax		
Current income tax charge	587.58	656.19
Adjustments in respect of current income tax of previous years	68.70	-
Deferred tax		
Relating to origination and reversal of temporary differences	11.45	(55.56)
Income tax expense reported in the Statement of profit and loss	667.73	600.63

Other Comprehensive Income

	As at March 31, 2022	As at March 31, 2021
Deferred tax related to items recognized in Other Comprehensive Income during the period		
Re-measurement of defined benefit plans	2.29	(1.98)
Income tax charged to Other Comprehensive Income	2.29	(1.98)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020

	As at March 31, 2022	As at March 31, 2021
Accounting profit before tax	1,563.14	1,376.90
At India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%)	393.44	346.57
Reconciliation items and tax impact of the same		
Effects of non-deductible business expenses	98.47	51.59
Deferred tax on unrealized profits of branches	(13.99)	(21.98)
Taxes paid on repatriation of branch profits	145.79	216.19
Others	44.02	8.27
At the effective tax rate of 42.72% (March 31, 2021: 43.62%)	667.73	600.63
Income tax expense reported in the Statement of profit or loss	667.73	600.63

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised Provision for Income Tax for the year and re-measured its Deferred tax asset (or/and deferred tax liability) basis the rate prescribed in the said section.

27 Components of Other Comprehensive Income (OCI)

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

During the year ended March 31, 2022

	Foreign currency translation	Retained earnings	Total
Foreign currency translation differences	28.63	-	28.63
Re-measurement (losses)/gains on defined benefit plans	-	(6.83)	(6.83)
Total	28.63	(6.83)	21.80

During the year ended March 31, 2021

	Foreign currency translation	Retained Earnings	Total
Foreign currency translation differences	(84.52)	-	(84.52)
Re-measurement gains/(losses) on defined benefit plans	-	5.89	5.89
Total	(84.52)	5.89	(78.63)

28 Earnings Per Share (EPS)

	March 31, 2022	March 31, 2021
Net profit attributable to the equity shareholders of the Company	895.41	776.27
Weighted average number of equity shares of Rs.10/- each (Nos.)	9,000,000	9,000,000
Basic and diluted EPS	9.95	8.63



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

29 Contingent liabilities

a) Taxes

	March 31, 2022	March 31, 2021
Disputed VAT balances / liabilities	49.46	71.90

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

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

30 Capital and other commitments

- a) There are no estimated amounts of contracts remaining to be executed at the year end on capital account (March 31, 2021 Rs. Nil).

b) Lease commitments

i) Company as lessee

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

	March 31, 2022	March 31, 2021
Lease payments for the year	77.87	76.88
Future minimum lease rental payables 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) Company as lessor : Operating lease

The Company has leased certain parts of its surplus office and manufacturing buildings. The tenure of such lease agreements ranges from 1 to 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Lease rentals are recognised in the statement of profit and loss for the year. Refer note 23.

	March 31, 2022	March 31, 2021
Lease rent received for the year	65.38	65.14
Future minimum lease rental receivable under non-cancellable operating leases are as follows:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-

31 Segment reporting

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

Information of geographical areas-

Sales revenue by geographical markets

Particulars	March 31, 2022	March 31, 2021
Within India	10,392.30	6,832.06
Outside India	4,150.99	4,790.85
Total	14,543.29	11,622.91

Revenue of Rs. 1,906.80 (March 31, 2021: Nil) are derived from single customer of the company.

Non current assets by geographical segments*

Particulars	March 31, 2022	March 31, 2021
Within India	3,357.27	3,496.61
Outside India	0.84	0.98
Total	3,358.11	3,497.59

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



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

32 Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure at the rate of 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy. The fund has formed a trust and it is governed by the Board of Trustees.

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

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2020	124.95	177.86	(52.91)
Current service cost	21.78	-	21.78
Interest expense	8.01	12.27	(4.26)
Total amount recognised in the Statement of profit and loss	29.79	12.27	17.52
Experience adjustments	(7.22)	-	(7.22)
Actuarial (gain)/loss from change in financial assumptions	(0.47)	-	(0.47)
Return on plan assets	-	0.18	(0.18)
Total amount recognised in Other Comprehensive Income	(7.69)	0.18	(7.87)
Employer contributions	(5.73)	11.75	(17.48)
Benefits paid	-	(5.73)	5.73
March 31, 2021	141.32	196.33	(55.01)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2021	141.32	196.33	(55.01)
Current service cost	24.47	-	24.47
Interest expense / income	9.15	13.04	(3.89)
Total amount recognised in the Statement of profit and loss	33.62	13.04	20.58
Experience adjustments	(3.35)	-	(3.35)
Actuarial (gain)/loss from change in financial assumptions	(1.71)	-	(1.71)
Return on plan assets	-	(14.18)	14.18
Total amount recognised in Other Comprehensive Income	(5.06)	(14.18)	9.12
Employer contributions	(7.91)	7.91	(15.82)
Benefits paid	-	(7.91)	7.91
March 31, 2022	161.96	195.18	(33.22)

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

Particulars	March 31, 2022	March 31, 2021
Present value of funded obligation	161.96	141.32
Fair value of plan assets	195.18	196.33
Surplus of funded plan	(33.22)	(55.01)

III Significant estimates

The significant actuarial assumptions were as follows :

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.70%	6.66%
Salary growth rate	7%	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	12%	10%



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
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IV Sensitivity analysis

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

Assumption	Impact on defined benefit obligation	
	March 31, 2022	March 31, 2021
Discount rate		
1.00% increase	decrease by Rs. 8.89	decrease by Rs. 8.87
1.00% decrease	increase by Rs. 9.89	increase by Rs. 10.00
Future salary increase		
1.00% increase	increase by Rs. 8.96	increase by Rs. 9.16
1.00% decrease	decrease by Rs. 8.23	decrease by Rs. 8.30
Attrition Rate		
1.00% increase	decrease by Rs. 0.55	decrease by Rs. 0.38
1.00% decrease	Increase by Rs. 0.59	Increase by Rs. 0.43

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

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

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

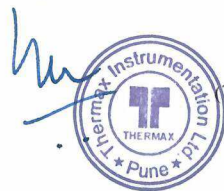
Particulars	March 31, 2022	March 31, 2021
Within next 12 months	28.78	22.54
Between 2-5 years	87.71	67.98
> 5 years	53.56	50.44

The average duration of the defined benefit plan obligation at the end of the reporting period is 6 years (March 31, 2021: 7 years)

The Company expects to contribute Rs. Nil (March 31, 2021: Rs. Nil) to the gratuity fund in the next year.

V The major categories of plan assets are as follows:

Particulars	March 31, 2022	March 31, 2021
Investments with Insurer (LIC of India)	100.00%	100.00%



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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

33 Related party disclosures

A Holding Company and Ultimate Holding Companies

No.	Name of the entity	Place of business/ Country of incorporation	Ownership interest		Type
			March 31, 2022	March 31, 2021	
1	RDA Holdings Private Limited	India	0%	0%	Ultimate holding company
2	Thermax Limited	India	100%	100%	Holding company

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

No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Babcock and Wilcox Energy Solutions Private Limited	India
2	Thermax Onsite Energy Solutions Limited	India

C Entities controlled by Holding company other than 'B' above with whom transactions have taken place during the year :

No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax International Tanzania Limited	Tanzania

D Key Management Personnel :

- 1 Mr. Madan Lal Bindra - Chief Executive Officer
- 2 Mr. Harish Tikotkar - Chief Financial Officer
- 3 Mr. Sudhir Lale - Company Secretary
- 4 Mr. Ajay Joshi - Independent Director
- 5 Mr. Ashok Joshi - Independent Director
- 6 Mr. Rajendran Arunachalam - Director
- 7 Mr. B. C. Mahesh - Director
- 8 Mr. Ravinder Advani - Director

E Individuals having control or significant influence over the Company by reason of voting power, and their relatives:

- 1 Mrs. Meher Pudumjee - Chairperson of Holding Company
- 2 Mrs. Anu Aga - Relative of Chairperson of Holding Company
- 3 Mr. Pheroze Pudumjee - Director of Holding Company
- 4 Mr. Zahaan Pudumjee - Relative of Chairperson of Holding Company

F Enterprise, over which control is exercised by individuals listed in 'E' above:

No.	Name of the entity	Place of business/ Country of incorporation
1	Thermax Foundation	India

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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Transactions during the year

Particulars	Holding Company - Thermax Limited		Entities controlled by Holding company		Key Management Personnel and Individuals mentioned in E		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sales of services	5,557.45	3,182.16	182.08	-	-	-	5,739.53	3,182.16
Rent income	62.50	62.50	-	-	-	-	62.50	62.50
Recovery of expenses	126.51	98.72	-	-	-	-	126.51	98.72
Sale of Property, Plant & Equipment	4.10	-	-	-	-	-	4.10	-
Purchase of project bought-out and components	10.05	6.78	31.80	55.79	-	-	41.85	62.56
Reimbursement of expenses	323.16	385.37	-	-	-	-	323.16	385.37
Remuneration to key management personnel *	57.58	43.34	-	-	8.80	10.60	66.38	53.94
Donation	-	-	26.10	31.36	-	-	26.10	31.36
Commission paid on corporate guarantee received	1.72	2.69	-	-	-	-	1.72	2.69
Dividend Expenses	540.00	1,080.00	-	-	-	-	540.00	1,080.00
Rent paid	60.50	60.50	-	-	-	-	60.50	60.50

* Components of Remuneration to key management personnel including sitting fees to independent director

Personnel	March 31, 2022	March 31, 2021
(a) Salary/ Retainership fees reimbursed to Thermax Limited #		
Mr. Madan Lal Bindra	8.00	-
Mr. Harish Tikotkar	25.13	22.91
Mr. Sudhir Lale	24.45	20.43
(b) Director sitting fees paid to independent directors		
Mr. Ajay Joshi	4.40	5.30
Mr. Ashok Joshi	4.40	5.30

This does not include provision made for gratuity and leave encashment since the same is calculated for all employees of the Company as a whole.

Terms and conditions of related party transactions

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

For the year ended March 31, 2022, the Company has recorded an impairment of receivables relating to amounts owed by related parties as per the policy.

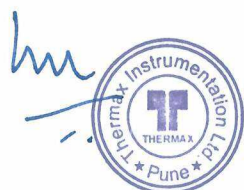
Balances as at the year end

Particulars	Holding Company - Thermax Limited		Entities controlled by Holding company		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Trade receivables	3,384.60	3,348.02	-	-	3,384.60	3,348.02
Trade payables	72.41	132.83	35.52	89.99	107.93	222.82
Customer advances	1,846.48	1,531.09	3.36	-	1,849.84	1,531.09
Unbilled Revenue	111.73	454.04	29.21	-	140.94	454.04
Unearned Revenue	703.55	458.80	1.19	-	704.74	458.80
Guarantee/ letter of comfort received	7,074.00	7,681.47	-	-	7,074.00	7,681.47

There are no outstanding balances in respect of entities controlled by key management personnel and individuals mentioned in E.

Terms and conditions for outstanding balances

All outstanding balances are unsecured, interest free and repayable in cash except the guarantee/letter of comfort received.



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

34 Fair value measurements

a) Category of financial instruments and valuation techniques

Break-up of financial assets carried at amortised cost

	As at March 31, 2022	As at March 31, 2021
Trade receivables	5,121.14	4,021.63
Cash and cash equivalents	973.92	1,726.81
Bank balances other than cash and cash equivalents	-	700.61
Loans	4.24	4.94
Other financial assets	1,536.36	1,882.79
Total	7,635.66	8,336.78
Current assets	7,216.09	7,773.55
Non-current assets	419.57	563.23
Total	7,635.66	8,336.78

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

Break-up of financial assets carried at fair value through profit or loss

	As at March 31, 2022	As at March 31, 2021
Investments	575.03	-
Total	575.03	-
Current assets	575.03	-
Non-current assets	-	-
Total	575.03	-

The fair values of the mutual funds are based on price quotations at the reporting date.

Break up of financial liabilities carried at amortised cost

	As at March 31, 2022	As at March 31, 2021
Trade payable	5,058.45	5,037.71
Other liabilities	249.84	188.90
Total	5,308.29	5,226.61
Current liabilities	5,057.78	4,593.43
Non current liabilities	250.51	633.18
Total	5,308.29	5,226.61

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

b) Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022

	Date of valuation	Level 1	Level 2	Level 3
Financial assets				
Investments				
Mutual funds	March 31, 2022	-	575.03	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021

	Date of valuation	Level 1	Level 2	Level 3
Financial assets				
Investments				
Mutual funds	March 31, 2021	-	-	-

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



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

35 Financial risk management

The Company's principal financial liabilities comprise trade and other payables and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company's borrowings and investments are designated as financial liabilities and assets through profit or loss respectively.

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

The Company's Board of Directors is ultimately responsible for the overall risk management approach and for approving the risk strategies and principles. No significant changes were made in the risk management objectives and policies during the years ended March 31, 2022 and March 31, 2021.

I Market risk

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

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

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Other than cash credit facility, the Company does not have any borrowings and hence there is no significant exposure to the risk of changes in market interest rates.

b Foreign currency risk

Foreign exchange risk arises when future commercial transactions and relevant assets and liabilities are denominated in a currency that is not the Company's functional currency. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's foreign operations through its branches at Philippines, Zambia and Sharjah.

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of assets and liabilities. The impact is stated in Rupees (denominated in Lakh) below:

	March 31, 2022	March 31, 2021
Decrease in US\$ rate by 5%	(61.28)	(69.54)
Increase in US\$ rate by 5%	61.28	69.54

The exposure to other foreign currencies is not significant to the Company's financial statements as all the undistributed profits at the overseas branches are maintained and/ or repatriated to India in US\$.

II Credit risk

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

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and bank deposits

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



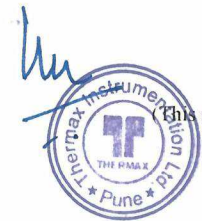
Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

III Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines. The management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting future cash flows and considering the level of liquid assets necessary to meet these and monitoring balance sheet liquidity ratios against internal requirements.

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

Particulars	Less than 1 year	1 to 3 years	Total
As at March 31, 2022			
Trade payables	4,807.94	250.51	5,058.45
Other financial liabilities :			
Employee related payables	193.06	-	193.06
Customer Deposits	56.72	-	56.72
Payable for tangible assets	0.03	-	0.03
	5,057.75	250.51	5,308.26
As at March 31, 2021			
Trade payables	4,404.53	633.18	5,037.71
Other financial liabilities :			
Employee related payables	134.11	-	134.11
Customer Deposits	54.71	-	54.71
Payable for tangible assets	0.03	-	0.03
	4,593.38	633.18	5,226.56



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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

36 Key Financial Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021:

Particulars	Numerator	Denominator	FY 2021-22	FY 2020-21	Variance	Management response
Current Ratio	Current Assets	Current Liabilities	1.06	1.05	0.90%	
Return on equity ratio	Profit after tax	Average Shareholder's Equity	0.22	0.19	15.42%	
Debtors turnover ratio	Revenue from contracts with customers	Average Trade Receivables	3.18	2.67	19.37%	
Trade payables turnover ratio	Total Supplier Purchases##	Average Trade Payables	2.10	1.48	41.69%	Improvement in trade payable turnover attributable to improved payment cycle as well as increase in operations
Net capital turnover ratio	Revenue from contracts with customers	Working Capital *	27.27	26.67	2.26%	
Net Profit ratio	Profit after tax	Revenue from contracts with customers	0.06	0.07	-7.81%	
Return on capital employed (ROCE)	Profit before tax and Finance Cost	Capital Employed **	0.35	0.33	4.63%	
Return on investment (ROI)	Profit after tax	Net worth	0.21	0.20	5.33%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	#	#		
Debt service coverage ratio	Earnings available for debt service	Debt Service	#	#		
Inventory turnover ratio	Cost of goods sold	Average Inventories	#	#		

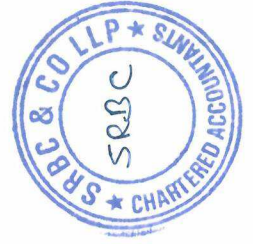
Explanations:

* Total Current Assets - Total Current Liabilities

** Total Equity + Non-current borrowings + Deferred Tax Liability

The Company does not have any inventories and borrowings. As a result, these ratios are not applicable to the Company.

Total Supplier purchases include project bought-outs, other expenses and staff welfare expenses



Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

37 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, 2022 and March 31, 2021. Capital represents equity attributable to Parent Company and is measured at Rs 4,344.67 (March 31, 2021: Rs. 3,967.46).

Particulars	March 31, 2022	March 31, 2021
Trade payables	5,058.45	5,037.71
Less: Cash and cash equivalents (includes deposits with original maturity of more than 3 months but less than 12 months)	(973.92)	(2,427.42)
Net debt	4,084.53	2,610.29
Equity	4,344.67	3,967.46
Capital and net debt	8,429.20	6,577.75

38 Struck off companies

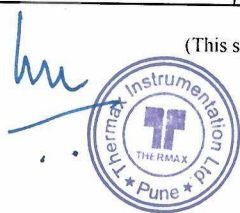
Below are details of investment, receivable, payable and any other transactions outstanding with struck off companies for the period ended March 31, 2022:

Name of struck off company	Nature of other outstanding balances	Transaction during the year	Balance outstanding at the end of the year	Relationship with the struck off Company, if any, to be disclosed
Parim Infocomm Private Limited	Trade payables	1.17	0.12	None

Below are details of investment, receivable, payable and any other transactions outstanding with struck off companies for the period ended March 31, 2021:

Name of struck off company	Nature of other outstanding balances	Transaction during the year	Balance outstanding at the end of the year	Relationship with the struck off Company, if any, to be disclosed
Parim Infocomm Private Limited	Trade payables	-	0.12	None

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Thermax Instrumentation Limited
Notes to financial statements for the year ended March 31, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

39 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
 - (v) The Company has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - (vi) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

40 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

(i) Ind AS 16 – Property Plant and equipment -

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company is in the process of evaluating the amendment.

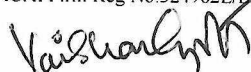
(ii) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company is in the process of evaluating the amendment.

(iii) Others -

Several other amendments and interpretations apply for the first time in the year ended March 31, 2022, but do not have an impact on the financial statements of the Company.

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



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

Place: Pune
Date: May 17, 2022




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



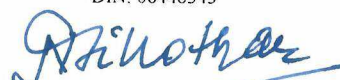
B. C. Mahesh
Director
DIN: 06631816



Rajendran Arunachalam
Director
DIN: 08446343



M. L. Bindra
Chief Financial Officer



Harish Tikotkar
Chief Financial Officer



Sudhir Lale
Company Secretary

Place: Pune
Date: May 17, 2022



Thermax Instrumentation Limited
Balance Sheet as at September 30, 2022
(All amounts are in Rupees Lakh, unless stated otherwise)

Particulars	Note No	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Assets				
I. Non-current assets				
Property, plant and equipment	4	109.49	129.76	117.94
Financial assets:				
(a) Trade receivables	5 (a)	367.87	553.55	419.57
Deferred tax assets (net)	6	354.41	304.88	284.25
Income tax assets (net)		2,892.26	2,744.27	2,710.95
Other assets	7 (a)	529.22	520.46	529.22
Total Non-current assets		4,253.25	4,252.92	4,061.93
II. Current assets				
Financial assets:				
(a) Investments	8	655.50	-	575.03
(b) Trade receivables	5 (b)	3,667.80	3,693.69	4,701.57
(c) Cash and cash equivalents	9 (a)	837.09	947.79	973.92
(d) Bank balances other than (c) above	9 (b)	-	556.28	-
(e) Loans	10	3.88	4.00	4.24
(f) Other assets	11	2,107.57	2,211.30	1,536.36
Other assets	7 (b)	1,889.61	1,647.59	1,814.35
Total Current assets		9,161.45	9,060.65	9,605.47
Total Assets		13,414.70	13,313.57	13,667.40
Equity and Liabilities				
I. Equity				
Equity share capital	12	900.00	900.00	900.00
Other equity	13	3,667.05	3,554.72	3,444.67
Total equity		4,567.05	4,454.72	4,344.67
II. Non-current liabilities				
Financial liabilities:				
(a) Borrowings		-	-	-
(a) Trade payables	14 (a)	264.13	707.84	250.51
Other liabilities	15(a)	-	62.19	-
Total non-current liabilities		264.13	770.03	250.51
III. Current liabilities				
Financial liabilities:				
(a) Trade payables	14 (b)			
- total outstanding dues of micro and small enterprises		32.76	33.02	388.12
- total outstanding dues of creditors other than micro and small enterprises		3,635.11	3,514.82	4,419.82
(b) Other liabilities	16	172.45	238.52	249.84
Other liabilities	15(b)	4,587.22	4,009.26	3,804.94
Provisions	17	155.98	293.20	209.50
Total current liabilities		8,583.52	8,088.82	9,072.22
Total equity and liabilities		13,414.70	13,313.57	13,667.40

Thermax Instrumentation Limited
Statement of profit and loss for the period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Particulars	Note No.	For the Period Ended Sep 30, 2022	For the Period Ended Sep 30, 2021	As at March 31, 2022
Income				
Revenue from operations				
Revenue from operations	18	6,564.89	6,416.42	14,743.65
Other income	19	122.36	119.92	413.94
Total Income (I)		6,687.25	6,536.34	15,157.59
Expenses				
Project bought-out and components		169.19	51.26	503.69
Employee benefits expense	20	1,499.00	1,414.46	2,823.33
Finance cost	21	1.31	1.50	6.25
Depreciation expense	22	9.34	12.48	23.25
Other expenses	23	4,662.78	4,353.11	10,237.93
Total Expenses (II)		6,341.62	5,832.81	13,594.45
Profit before tax (III = I-II)		345.63	703.53	1,563.14
Tax expense				
Current tax	26	210.37	241.11	587.58
Adjustment of tax relating to earlier periods	26	-	-	68.70
Deferred tax	26	(70.16)	(11.47)	11.45
Total tax expense (IV)		140.21	229.64	667.73
Profit for the year (V = III-IV)		205.42	473.89	895.41
Other comprehensive income				
A. Items that will be reclassified subsequently to profit or loss				
Net gain / (loss) on translation of foreign operations	27	16.96	13.37	28.63
Less: Income tax effect		-	-	-
		16.96	13.37	28.63
B. Items that will not be reclassified subsequently to profit or loss				
Re-measurement (loss)/gain of defined benefit plan	27	-	-	(9.12)
Less: Income tax effect		-	-	2.29
		-	-	(6.83)
Total other comprehensive income for the year (net of tax) (VI)		16.96	13.37	21.80
Total comprehensive income for the year (VII = V+VI)		222.38	487.26	917.21

Thermax Instrumentation Limited
Cash Flow Statement for the period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

Particulars	Year Ended September 30, 2022	Year Ended September 30, 2021	Year Ended March 31, 2022
A) Cash flows from operating activities			
Profit before tax	345.63	703.53	1,563.14
Adjustments to reconcile profit before tax to net cash flows			
Depreciation on Property, Plant & Equipment	9.34	12.48	23.25
Provision for impairment allowance of financial assets (net)	124.55	79.95	114.80
Interest expense	1.31	1.50	6.25
Interest accretion on preference shares	-	-	-
Bad debts/advances written off	-	17.81	17.81
Loss /(Gain) on sale/discard of assets (net)	0.07	-	(3.02)
Interest income from bank	-	(20.39)	(25.17)
Interest income - others	(11.01)	(27.26)	(31.32)
Net foreign exchange (Gain)/Loss	0.04	(4.71)	(9.91)
Fair value gain on financial instruments at fair value through profit and loss (net)	(11.23)	-	(0.53)
Liabilities no longer required written back	(67.36)	(36.19)	(288.45)
Cash flows before working capital changes	391.34	726.72	1,366.85
Working capital adjustments			
(Increase)/Decrease in trade receivables	960.92	(293.74)	(1,170.63)
(Increase)/Decrease in other non-current assets	-	-	(8.76)
Decrease / (Increase) in other financial assets	(571.21)	(356.04)	285.00
(Increase) in other current assets	(75.26)	(139.98)	(320.11)
Decrease/(Increase) in loans	0.36	0.94	0.70
Increase in trade payables	(1,059.13)	(743.22)	319.08
(Decrease)/Increase in other non-current liabilities	-	(127.20)	(189.39)
(Decrease)/Increase in other current liabilities	782.28	96.09	(108.23)
Increase/(Decrease) in other financial liabilities	(77.39)	49.62	60.94
(Decrease)/Increase in provisions	(53.52)	(32.19)	(115.89)
Cash from generated from operations	298.39	(819.00)	119.56
Direct taxes paid (net of refunds)	(380.67)	(113.01)	(499.96)
Net cash flow (used in) from operating activities	(82.28)	(932.01)	(380.40)
B) Cash flows from / (used in) investing activities			
Purchase of property, plant and equipment	(0.96)	(10.21)	(10.33)
(Investment) / Redemption of investments (net)	(74.94)	-	(574.97)
Interest income from bank	-	20.39	25.17
Net proceeds from sale of property, plant and equipment	(0.00)	-	4.18
Redemption / (Investment) in fixed deposits (net)	-	144.33	700.61
Net gain on sale of investments	5.70	-	0.47
Net cash flows from / (used in) investing activities	(70.20)	154.51	145.13
C) Cash flows (used in) financing activities			
Interim Dividend Paid	-	-	(540.00)
Interest paid	(1.31)	(1.50)	(6.25)
Net cash flows (used in) financing activities	(1.31)	(1.50)	(546.25)
Net (decrease) / increase in cash and cash equivalents	(153.79)	(779.01)	(781.52)
Cash and cash equivalents at the beginning of the year	973.92	1,726.81	1,726.81
Effect of exchange differences on translation of foreign operations	16.96	-	28.63
Cash and cash equivalents at the end of the year	837.09	947.80	973.92

Reconciliation of cash and cash equivalents as per the Cash Flow Statement:

	Note No.	September 30, 2022	September 30, 2021	March 31, 2021
Cash and cash equivalents	9 (a)	837.09	947.79	973.92
Balances as per Cash flow statement		837.09	947.79	973.92

Thermax Instrumentation Limited
Notes to financial statements for the year period September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

4 Property, plant and equipment*

Particulars	Leasehold land #	Buildings	Plant and equipment	Office equipment	Computer	Total
Gross carrying amount						
As at April 01, 2021	12.22	304.19	71.87	345.19	52.60	786.07
Additions	-	-	-	1.91	8.42	10.33
Disposals	-	-	-	(168.68)	(3.73)	(172.41)
As at March 31, 2021	12.22	304.19	71.87	178.42	57.29	623.99
Additions	-	-	-	-	0.96	0.96
Disposals	-	-	-	(1.51)	(1.33)	(2.84)
As at September 30, 2022	12.22	304.19	71.87	176.91	56.92	622.11
Accumulated depreciation						
As at April 01, 2021	4.17	208.79	50.15	343.79	47.15	654.05
Charge for the year	0.18	9.98	4.92	3.31	4.86	23.25
Disposals	-	-	-	(168.68)	(2.57)	(171.25)
As at March 31, 2022	4.35	218.77	55.07	178.42	49.44	506.05
Charge for the year	0.09	5.09	2.51	-	1.65	9.34
Disposals	-	-	-	(1.51)	(1.26)	(2.77)
As at September 30, 2022	4.44	223.86	57.58	176.91	49.83	512.62
Net Block						
As at September 30, 2022	7.78	80.33	14.29	-	7.09	109.49
As at March 31, 2022	7.87	85.42	16.80	-	7.85	117.94

The above asset has been taken on operating lease.

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

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Thermax Instrumentation Limited
Notes to financial statements as at September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

5 Trade receivables

5 (a) Non current trade receivables

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
At amortized cost			
Trade receivables			
(i) Related Parties (note 33)	367.87	553.55	419.57
(ii) Others	-	-	-
Total receivables	367.87	553.55	419.57
Break-up of security details			
Secured, considered good	-	-	-
Unsecured, considered good	638.52	902.13	723.03
Trade Receivables which have a significant increase in credit risk	-	-	-
Trade receivables- credit impaired	-	-	-
	638.52	902.13	723.03
Less: impairment allowance	(270.65)	(348.58)	(303.46)
Total	367.87	553.55	419.57

5 (b) Current trade receivables

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
At amortized cost			
Trade receivables			
(i) Related Parties (note 33)	2,786.76	2,655.45	2,965.03
(ii) Others	881.04	1,038.24	1,736.54
Total receivables	3,667.80	3,693.69	4,701.57
Break-up of security details			
Secured, considered good	-	108.97	178.86
Unsecured, considered good	4,633.34	4,542.06	5,424.61
Trade Receivables which have a significant increase in credit risk	74.56	-	74.56
Trade Receivables - credit impaired	13.10	12.45	20.58
	4,721.00	4,663.48	5,698.61
Less: Impairment allowance	(1,053.20)	(969.79)	(997.04)
Total	3,667.80	3,693.69	4,701.57

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Thermax Instrumentation Limited
Notes to financial statements for the period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

6 Deferred tax assets (net)

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Deferred tax liabilities			
Retained earnings of foreign branches	(104.36)	(161.79)	(147.80)
Unrealized foreign exchange gain	(0.28)	(0.26)	(0.26)
	(104.64)	(162.05)	(148.06)
Deferred tax assets			
Accelerated depreciation for tax purpose	17.46	23.87	22.15
Provision for doubtful receivables	305.24	306.13	301.47
Items allowed on payment basis	30.02	85.07	30.51
Temporary differences in accounting treatment as required by income tax standards	9.30		28.55
Other (includes deferred tax balances pertaining to branches)	97.02	51.86	49.63
	459.05	466.93	432.31
Deferred tax assets (net)	354.41	304.88	284.25

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

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Thermax Instrumentation Limited
Notes to financial statements for the period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

7 Other assets

7 (a) Other non-current assets

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Balances with government authorities			
Unsecured, considered good	529.22	520.46	529.22
Unsecured, considered doubtful	40.04	40.04	40.04
	<u>569.26</u>	<u>560.50</u>	<u>569.26</u>
Less : Impairment allowance	(40.04)	(40.04)	(40.04)
Total	<u>529.22</u>	<u>520.46</u>	<u>529.22</u>

7 (b) Other current assets

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Unsecured considered good			
Advances to suppliers	579.94	742.52	699.15
Advances to employees	162.07	134.29	124.90
Prepaid expenses	68.51	73.76	69.20
Balances with government authorities	1,017.15	638.78	877.24
Prepayments (note 32)	29.92	46.21	33.22
Others	32.02	12.03	10.64
Total	<u>1,889.61</u>	<u>1,647.59</u>	<u>1,814.35</u>

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

8 Investments

	Face value	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Investments at Fair value through profit or loss				
Investments in Mutual Funds :				
Liquid/ liquid plus and duration funds (unquoted)				
SBI Overnight Fund	Rs. 100	100.25	-	-
SBI Liquid Fund	Rs. 100	303.90	-	-
Aditya Birla Liquid Fund	Rs. 1,000	251.35	-	-
Kotak Overnight Fund Direct Growth	Rs. 1,000	-	-	575.03
		<u>655.50</u>	<u>-</u>	<u>575.03</u>
Aggregate amount of unquoted investments		655.50	-	575.03
Aggregate amount of impairment in the value of investments		-	-	-

Investment in fair value through profit or loss reflect investment in unquoted equity securities. Refer note 34 for determination of their fair values

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Thermax Instrumentation Limited
Notes to financial statements for the period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

9 (a) Cash and cash equivalents

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Cash and cash equivalents			
Balances with banks			
- in current accounts *	820.43	730.08	973.47
- in deposits with original maturity of less than three months#	-	215.24	-
Cheques on hand (note 33)	16.59	-	-
Cash on hand	0.07	2.47	0.45
Total	837.09	947.79	973.92

* this includes bank balances of Rs. 692.80 (June 30, 2022 Rs. 1302.30) 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.

#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.

9 (b) Other bank balances

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Deposits with original maturity of more than 3 months but less than 12 months	-	556.28	-
Total	-	556.28	-

10 Loans

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Unsecured, considered good			
At amortised cost			
Loans to employees	3.88	4.00	4.24
Total	3.88	4.00	4.24

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

11 Other financial assets

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
At amortised cost			
Unbilled revenue (note 18) *	2,026.05	2,124.54	1,460.14
Trade deposits #	63.98	68.88	59.85
Security deposits	17.54	17.88	16.37
Total	2,107.57	2,211.30	1,536.36

* Unbilled revenue is net of impairment allowance of Rs. 80.70 (June 30, 2022: Rs. 80.70) as at the balance sheet date.

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

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Thermax Instrumentation Limited
Notes to financial statements for the period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

12 Share capital

	As at September 30,	As at September 30,	As at March 31, 2022
Authorized shares (Nos)			
9,000,000 (March 31, 2022: 9,000,000) equity shares of Rs. 10/- each	900.00	900.00	900.00
	900.00	900.00	900.00
Issued, subscribed and fully paid share capital (Nos)			
9,000,000 (March 31, 2022: 9,000,000) equity shares of Rs. 10/- each	900.00	900.00	900.00
Total issued, subscribed and fully paid-up share capital	900.00	900.00	900.00

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

	No. of shares	Amount	Amount
Equity share of Rs. 10 each issued, subscribed and fully paid			
At April 01, 2021	90,00,000	900.00	900.00
Changes during the year	-	-	-
At March 31, 2022	90,00,000	900.00	900.00
Changes during the year	-	-	-
At September 30, 2022	90,00,000	900.00	900.00

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by holding company/ promoter

	As at September 30,	As at December 31,	As at March 31, 2022
Thermax Limited	900.00	900.00	900.00
9,000,000 (September 30, 2022: 9,000,000) equity shares of Rs. 10/- each fully paid			

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

	As at September 30,	As at December 31,	As at March 31, 2022
Thermax Limited			
%	100.00	100.00	100.00
No. of shares (including 6 share held by nominee shareholders)*	90,00,000	90,00,000	90,00,000

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

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Thermax Instrumentation Limited
Notes to financial statements for the period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

13 Other equity

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Reserves and surplus			
Capital reserve	1,118.84	1,118.84	1,118.84
Capital Redemption Reserve			
Opening balance	1,000.00	1,000.00	1,000.00
Add: Transfer during the year	-		-
Balance at the end of the year	1,000.00	1,000.00	1,000.00
Retained earnings			
Opening balance	1,137.03	788.45	788.45
Add: Profit for the year	205.42	473.89	895.41
Less: Transfer to Capital Redemption Reserve	-		-
Less: Interim Dividend Paid	-		(540.00)
Movement during the year	205.42	473.89	355.41
Items of other comprehensive income recognized directly in retained earnings:			
Re-measurement gain/(loss) on post-employment benefit plans, net of tax Rs.2.29 (March 31, 2022 Rs. 2.29)	-	-	(6.83)
Net Surplus in the Statement of profit and loss	1,342.45	1,262.34	1,137.03
Total Reserves and surplus	3,461.29	3,381.18	3,255.87
Other Reserve			
Foreign Currency Translation Reserve			
Opening balance	28.59	(0.04)	(0.04)
Add/ (Less): movement during the year	16.96	13.37	28.63
Closing balance	45.55	13.33	28.59
Fair value adjustment of redeemable preference shares, net of tax Rs. 65.82 (June 30, 2022 Rs. 65.82)	160.21	160.21	160.21
Total	3,667.05	3,554.72	3,444.67

Capital reserve

Capital Reserve pertains to reserves arising on amalgamations in the earlier years which is required to be maintained as per statute and is not distributable to the shareholders.

Capital Redemption Reserve

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

Foreign Currency Translation Reserve

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

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Thermax Instrumentation Limited
Notes to financial statements as at September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

14 Trade payable

14 (a) Non-current trade payables

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Trade payables :			
(i) Others	264.13	707.84	250.51
Total	264.13	707.84	250.51

14 (b) Current trade payables

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Total outstanding dues of micro and small enterprises (note 14 (c))	32.76	33.02	388.12
Total outstanding dues of creditors other than micro and small enterprises			
(i) Related parties (note 33)	180.18	248.32	222.82
(ii) Others	3,454.93	3,266.50	4,197.00
Total	3,667.87	3,547.84	4,807.94

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Thermax Instrumentation Limited
Notes to financial statements for period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

15 Other Liabilities

15(a) Other non-current liabilities

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Customer advances			
(i) Related Parties (note 33)	-	62.19	-
Total	-	62.19	-

15(b) Other current liabilities

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Unearned revenue (note 18)	1,064.97	1,382.74	1,072.04
Customer advances			
(i) Related Parties (note 33)	2,202.22	1,371.72	1,849.84
(ii) Others	1,212.85	1,160.45	691.24
Statutory dues and other liabilities*	107.18	94.35	191.82
Total	4,587.22	4,009.26	3,804.94

* mainly includes goods and services tax, tax deducted at source, provident fund, etc.

16 Other financial liabilities

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
At amortized cost			
Employee related payables	111.27	182.91	193.06
Customer deposits	60.88	55.55	56.72
Payable against tangible assets	0.03	0.03	0.03
Other payables	0.27	0.03	0.03
Total	172.45	238.52	249.84

17 Current provisions

	As at September 30, 2022	As at September 30, 2021	As at March 31, 2022
Provision for employee benefits			
Provision for leave encashment	119.02	87.15	96.06
	119.02	87.15	96.06
Other provisions			
Provision for onerous contracts	36.96	206.05	113.44
	36.96	206.05	113.44
Total	155.98	293.20	209.50

Movement in provisions for onerous contracts	September 30, 2022	September 30, 2021	March 31, 2022
As at April 1, 2022	113.44	226.34	226.34
Additional provision recognized	7.76	31.22	58.67
Provision (utilized)/ (reversed) during the year	(84.24)	(10.49)	(171.57)
As at September 30, 2022	36.96	247.07	113.44

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

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Thermax Instrumentation Limited
Notes to financial statements for periodended September 30, 2022
 (All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

18 Revenue from operations

(a) Revenue from contracts with customers:

	September 30, 2022	September 30, 2021	March 31, 2022
Revenue from services	6,405.30	6,316.91	14,543.29
Total revenue from contracts with customers	6,405.30	6,316.91	14,543.29

(b) Other operating income

	September 30, 2022	September 30, 2021	March 31, 2022
Sale of Scrap	82.48	75.26	141.09
Exchange fluctuation gain (net)	77.11	24.25	59.27
	159.59	99.51	200.36
Total revenue from operations	6,564.89	6,416.42	14,743.65

Thermax Instrumentation Limited
Notes to financial statements for period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

19 Other income	September 30, 2022	September 30, 2021	March 31, 2022
Interest income from financial assets at amortized cost			
Bank deposits	-	20.39	25.17
Other Interest income	11.01	27.26	31.32
Profit on sale of property plant and equipment	-		3.02
Fair value gain on mutual funds at fair value through profit or loss	11.24	-	0.53
Rent income (note 30)	32.75	32.13	65.38
Liabilities no longer required written back	67.36	36.19	288.45
Miscellaneous income (includes brokerage income and recovery of liquidated damages)	-	3.95	0.07
Total	122.36	119.92	413.94
20 Employee benefits expense	September 30, 2022	September 30, 2021	March 31, 2022
Salaries and wages	1,414.28	1,341.44	2,672.70
Contribution to provident and other funds	56.60	54.58	104.76
Gratuity expense (note 32)	18.35	11.77	20.58
Staff welfare expenses	9.77	6.67	25.29
Total	1,499.00	1,414.46	2,823.33
21 Finance costs	September 30, 2022	September 30, 2021	March 31, 2022
Interest expense	1.31	1.50	6.25
Total	1.31	1.50	6.25
22 Depreciation expense	September 30, 2022	September 30, 2021	March 31, 2022
Depreciation on property, plant and equipment (note 4)	9.34	12.48	23.25
Total	9.34	12.48	23.25

Thermax Instrumentation Limited
Notes to financial statements for period ended September 30, 2022
(All amounts are in Rupees Lakh, except per share data and unless stated otherwise)

23 Other expenses

	September 30, 2022	September 30, 2021	March 31, 2022
Consumption of stores and spare parts	31.27	16.84	42.41
Power and fuel	4.43	3.21	11.65
Freight and Forwarding charges	-	0.08	0.08
Site expenses and contract labour charges	4,069.12	3,888.51	9,326.54
Advertisement and sales promotion	3.79	9.06	3.77
Rent (note 30)	40.86	38.75	77.87
Rates and taxes	25.29	39.37	58.87
Insurance	17.80	16.47	34.54
Repairs and maintenance			
Plant and machinery	0.65	-	0.11
- Others	2.18	2.52	7.80
Travelling and conveyance	145.24	75.97	174.86
Legal and professional fees (includes payment to auditors; note 24)	77.18	77.20	211.62
Director's sitting fees (note 33)	5.40	4.63	8.80
Bad debts/ advances written off	-	17.81	17.81
Provision for impairment of financial assets (net of reversals)	124.55	79.95	114.80
Loss on sale/ discard of assets (net)	0.07	0.05	-
Corporate Social Responsibility expenditure (note 25)	27.65	26.02	26.10
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	87.30	56.67	120.30
Total	4,662.78	4,353.11	10,237.93

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF THERMAX INSTRUMENTATION LIMITED UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTER SHAREHOLDERS), KEY MANAGERIAL PERSONNEL (KMPs) AND DIRECTORS ADOPTED BY IT AT ITS MEETING HELD ON TUESDAY, 20 DECEMBER 2022

1. BACKGROUND

1.1. As per section 232(2)(c) of the Companies Act, 2013 ("Act"), a report adopted by the Board of Directors of the Company explaining effect of the arrangement on equity shareholders (including promoters and non-promoter shareholders), Key Managerial Personnel ("KMPs"), and Directors of the Company and laying out in particular the share exchange ratio, is required to be circulated to the shareholders / creditors of the Company if meeting of such shareholders / creditors is required to be convened as per the directions of the National Company Law Tribunal. This report is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Act.

1.2. The following documents were, inter alia, placed before the Board:

1.2.1. Scheme of Arrangement between Thermax Cooling Solutions Limited ("Demerged Company") and Thermax Instrumentation Limited ("Resulting Company" or "the Company") and their respective shareholders under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 and rules and regulations framed thereunder ("Scheme").

1.2.2. Draft statutory Auditors' Certificate dated 19 December 2022 issued by SRBC & Co. LLP, the statutory auditors of the Demerged Company as required under section 232(3) of the Companies Act, 2013 certifying that the accounting treatment in the draft Scheme is in accordance with the accounting standards and applicable law;

1.2.3. Valuation report dated 20 December 2022 ("Valuation Report") as submitted by Mr. CA Harsh Chandrakant Ruparelia, Chartered Accountant, Registered Valuer – Securities or Financial Assets, describing the methodology adopted in arriving at the share entitlement ratio in relation to the Scheme. The share entitlement ratio recommended by the Valuer is as follows:

"85 (Eighty-Five) 10% Non-Convertible Non-Cumulative Redeemable Preference Shares ("NCRPS") of INR 100 (Rupees Hundred) each of the Resulting Company shall be issued and allotted for every 1,000 (One Thousand) fully paid-up equity share of INR 10 (Rupees Ten) each held in the Demerged Company"*

** On capital reduction becoming effective as provided in the Scheme, INR 10 to be read as INR 5.*

No special valuation difficulties were observed or reported in the valuation report.

THERMAX INSTRUMENTATION LIMITED

2. EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS) OF THE RESULTING COMPANY

2.1. As far as the promoter and non-promoter shareholders of the Resulting Company are concerned, pursuant to the Scheme they will continue to remain shareholders of the Resulting Company.

3. EFFECT OF THE SCHEME ON THE KMPs OF THE RESULTING COMPANY

3.1. There will be no impact on the KMPs and directors of the Resulting Company pursuant to the Scheme.

4. ADOPTION OF THE REPORT BY THE BOARD OF DIRECTORS

The Board of Directors have adopted this report after noting and considering the information set forth in this report.

**By order of the Board
For Thermax Instrumentation Limited**


Rajendran Arunachalam
Director
DIN: 08446343

Place: Pune

Date: December 20, 2022