

INDEPENDENT AUDITOR'S REPORT

To the Members of
Thermax Foundation

Report on the Financial statements

Opinion

1. We have audited the accompanying Financial statements of **Thermax Foundation** ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Income & Expenditure and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements, give the information required by the Company's Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2023 and its deficit and cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is included in the Director's report, but does not include the financial statements and our auditor's report thereon.
5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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

Responsibility of Management for Financial statements

8. The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
9. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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



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

- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

16. The provisions of the Companies (Auditor's Report) Order 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), are not applicable to the Company as the Company is incorporated under section 8 of the Companies Act 2013. Hence, we do not give a statement on the matters specified in paragraph 3 and 4 of the order.
17. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Income and Expenditure account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- (e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) Section 143(3)(i) mandates the auditor to comment on whether the company has an adequate internal financial control over financial reporting of the company and the operating effectiveness of such controls. In terms of paragraph 5 of Ministry of Corporate Affairs notification number G.S.R. 583 (E) dated June 13, 2017, exemption has been provided to private limited companies fulfilling certain criteria mentioned in the notification, from the applicability of the requirement of reporting in terms of Section 143(3)(i). As the Company meets the relevant criteria specified in the said notification for the financial year 2022-23 the requirement of Section 143(3)(i) is not applicable to the Company and accordingly no report has been made under the said clause.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as on March 31, 2023 on its financial position in its financial statement;
 - ii. The Company did not have any long-term derivative contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign



entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

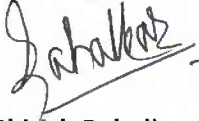
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared and paid any dividend during the year.

For **B. K. Khare & Co.**

Chartered Accountants

Firm Registration Number: 105102W



Shirish Rahalkar

Partner

Membership Number: 111212

UDIN: 23111212BGVJA07965

Place: Mumbai

Date: 4 July 2023

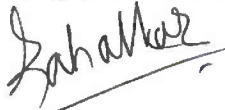
THERMAX FOUNDATION

BALANCE SHEET AS AT MARCH 31, 2023

PARTICULARS	NOTE NO	AS AT 31-Mar-23 RS.	AS AT 31-Mar-22 RS.
I. Funds & Liabilities			
1. Funds			
a. Corpus Fund	1	45,99,68,701	45,99,68,701
b. Reserves & Surplus	2	(28,99,36,699)	(27,68,43,124)
		17,00,32,002	18,31,25,577
2 Non - Current Liabilities			
Long Term Provisions - Gratuity	3	2,23,424	2,00,509
		2,23,424	2,00,509
3 Current Liabilities			
a. Current Liabilities	4	2,73,175	50,024
		2,73,175	50,024
TOTAL		17,05,28,601	18,33,76,110
II. Assets			
1. Non - Current Assets			
a. Property, Plant and Equipment and Intangible assets	5	2,78,81,562	2,98,82,341
i. Property, Plant and Equipment			
b. Other Non Current Assets	6	99,00,000	99,00,000
		3,77,81,562	3,97,82,341
2 Current Assets			
a. Cash and cash equivalents	7	13,20,35,289	13,95,30,844
b. Other Current Assets	8	7,11,750	40,62,925
		13,27,47,039	14,35,93,769
TOTAL		17,05,28,601	18,33,76,110
Summary of significant accounting policies	12		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For B. K. KHARE & CO
 CHARTERED ACCOUNTANTS
 Firm Registration No.105102W



SHIRISH RAHALKAR
 Partner
 Membership No.111212



Pune
 Date : 4th July 2023

FOR THERMAX FOUNDATION



ASHISH BHANDARI
 Director
 DIN: 05291138

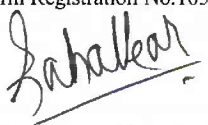



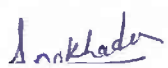
MEHER PUDUMJEE
 Director
 DIN:00019581

Pune
 Date : 4th July 2023

Pune
 Date : 4th July 2023




THERMAX FOUNDATION**STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2023**

PARTICULARS	NOTE NO	Year ended as on 31-Mar-23 RS.	Year ended as on 31-Mar-22 RS.
III. Income	9	7,25,47,505	8,17,61,092
IV. Expenditure			
Employee Benefits Expense	10	25,59,727	21,94,577
Depreciation and Amortization	5	20,00,779	20,00,779
Donation given		7,53,77,204	6,71,16,235
Other Expenses	11	57,03,370	1,09,18,479
Total Expenditure		8,56,41,080	8,22,30,069
V. Excess of Income over Expenditure (III - IV)		(1,30,93,575)	(4,68,977)
		(1,30,93,575)	(4,68,977)
Summary of significant accounting policies The accompanying notes are an integral part of the financial statements	12		
As per our report of even date For B. K. KHARE & CO CHARTERED ACCOUNTANTS Firm Registration No.105102W  SHIRISH RAHALKAR Partner Membership No.111212 Pune Date : 4th July 2023		FOR THERMAX FOUNDATION  ASHISH BHANDARI Director DIN: 05291138 Pune Date : 4th July 2023	 MEHER PUDUMJEE Director DIN:00019581 Pune Date : 4th July 2023
			
			

Thermax Foundation
Cash flow statement for the year ended March 31, 2023

	March 31, 2023	March 31, 2022
Cash flow from operating activities		
Excess of expenditure over income	(1,30,93,575)	(4,68,977)
Adjustment to reconcile profit before tax to net cash flow		
Depreciation/ amortization expenses	20,00,779	20,00,779
Interest income	(39,50,075)	(63,43,486)
Dividend income	-	-
Operating profit before working capital changes	(1,50,42,871)	(48,11,684)
Movements in working capital :		
(Decrease) in provisions	51,557	53,097
(Decrease)/ increase in other liabilities	1,94,509	2,016
Decrease/(increase) in other current assets.	33,51,175	82,207
Cash generated from/(used in) operations	(1,14,45,630)	(46,74,364)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	(1,14,45,630)	(46,74,364)
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	-	-
Sales of investments	-	-
Purchase of investments	-	-
Maturity of fixed deposits (having original maturity of more than three months)	-	(99,00,000)
Interest received	39,50,075	63,43,486
Dividend received	-	-
Net cash flow (used in) investing activities (B)	39,50,075	(35,56,514)
Cash flows from financing activities		
Proceeds from borrowings (Corpus)	-	-
Net cash flow from in financing activities (C)	-	-
Net increase in cash and cash equivalents (A + B + C)	(74,95,555)	(82,30,878)
Cash and cash equivalents at the beginning of the year	13,95,30,844	14,77,61,722
Cash and cash equivalents at the end of the year	13,20,35,289	13,95,30,844
Components of cash and cash equivalents		
Balances with banks	13,20,35,289	13,95,30,844
Total cash and cash equivalents (note 08)	13,20,35,289	13,95,30,844

* The cashflow statement is reported using indirect method.

As per our report of even date

For **B. K. KHARE & CO**
CHARTERED ACCOUNTANTS
Firm Registration No.105102W


SHIRISH RAHALKAR
Partner
Membership No.111212



FOR THERMAX FOUNDATION



ASHISH BHANDARI
Director
DIN: 05291138



MEHER PUDUMJEE
Director
DIN:00019581

Pune
Date : 4th July 2023

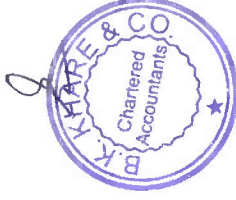
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Date : 4th July 2023





THERMAX FOUNDATION
NOTE 5 - FIXED ASSETS

PARTICULARS	GROSS BLOCK						DEPRECIATION			NET BLOCK		Amount Rs.
	COST AS ON 1.4.2022	ADDITIONS DURING THE YEAR 22-23	DEDUCTIONS DURING THE YEAR 17-18	TOTAL COST AS ON 31.3.2022	UPTO 31st MARCH 2022	DEDUCTIONS DURING THE YEAR 17-18	DEDUCTIONS DURING THE YEAR 22-23	TOTAL AS ON 31.3.2023	As on 31 st March 2023	As on 31 st March 2022		
Building	4,64,43,498	-	-	4,64,43,498	1,67,85,946	-	20,00,779	1,87,86,725	2,76,56,773	2,96,57,552		
Educational Eids / Instruments	90,203	-	-	90,203	88,086	-	-	88,086	2,117	2,117		
Furniture and Fixtures	42,73,579	-	-	42,73,579	40,88,747	-	-	40,88,747	1,84,832	1,84,832		
Office Equipment and Computers	35,49,640	-	-	35,49,640	35,11,799	-	-	35,11,799	37,841	37,841		
Total	5,43,56,919	-	-	5,43,56,919	2,44,74,578	-	20,00,779	2,64,75,357	2,78,81,562	2,98,82,341		
Previous Year	4,89,96,444	-	-	4,89,96,444	1,20,93,860	-	23,76,824	1,44,70,683				



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NOTE 12**1. Significant Accounting Policies****a) Corporate Information**

Thermax Foundation (Company) was incorporated on 26th March 2007 under the Companies Act 1956. With effect from 25th August 2015 its name was changed to Thermax Foundation from Thermax Social Initiative Foundation, vide registration no. U80102PN2007NPL129858 and it is limited by guarantee.

b) Basis for Preparation of Financial Statements

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards as prescribed under section 133 of the Companies Act 2013('the Act') read with Rule 7 of the Companies (Accounts) Rules 2014 and other relevant provisions of the Companies Act 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies are consistent with those adopted in earlier year.

c) Donations

Donations received with a specific direction from the donors that they shall form part of the corpus/ specific funds are accounted for accordingly. Other donations are taken to the Statement of income & Expenditure Account.

d) Interest Income

Interest Income is accounted on accrual basis taking into account the amount outstanding and the applicable interest rate, except where there is uncertainty of ultimate collection.

e) Dividend Income

Dividend income is recognized when the company's right to receive is established by reporting date.

f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

g) Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any and include any other attributable cost for bringing the assets to working condition for their intended use.

h) Depreciation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management In respect of the following categories of fixed assets, useful life differs from that specified in the Schedule II to the Companies Act 2013:



Asset Category	Company's Estimate of Useful Life (Year)	Rates as prescribed under Schedule II (years)
Building	27	60
Educational Instruments	1	8
Furniture and Fixture	1	10
Office equipment's and Computer	1	3 to 15

Justification for useful lives adopted

Cost of School Building is amortized over a period of 27 years beginning with year of its completion. This is in line with the terms of the MOU signed between Company & PMC School Board which entitles Thermax Foundation to administer & run the Schools over the said period. Depreciation on addition to building is provided over remaining period from the date of addition / capitalisation.

All fixed assets except School Buildings are depreciated @ 95% in the year of purchase since Thermax Foundation (TF) has only right to use them for the objects of the Thermax Foundation.

i) Employee Benefits

1. Provident Fund

Liability on account of the company's obligation under the employee's provident fund, a defined contribution plan, is charged to profit and loss account on the basis of actual liability calculated as a percentage of salary.

2. Gratuity

The Company operates a defined benefit plan, viz. gratuity. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

j) Taxes on Income

No provision for taxes on Income is made in the absence of taxable income in terms of the relevant provisions of the Income Tax Act 1961.

2. Contingent Liability – Income Tax

Demand disputed in appeal:

Where the company is in appeal: Rs. Nil (Previous year Rs. NIL).

Where the Department is in appeal: Rs. 27,384,390/- (Previous year Rs. 27,384,390).

3. Micro & Small Enterprises

On the basis of the information available with the Company (and relied upon by the auditor's), none of the creditors are registered under Micro & Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)



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4. Defined Benefit Plan for Employees (AS 15)

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 @ 15 days (minimum) of the last drawn salary for each year of service. The liability is not funded. Following are the details of actuarial valuation:

i. Reconciliation of net assets/ (liability) recognized

Particulars	22-23	21-22
Present Value of obligation as the beginning of year	2,00,509	1,47,412
Benefits paid by company	-	-
Liability transferred to other trust on transfer of employees (Note 6)	-	-
Expenses recognized at the end of period	51,557	53,097
Present Value of obligation as the end of year	2,52,066	2,00,509

ii) Change in the present value of the defined benefit obligation are as follows :

For the period	31st March 2023	March 31st March 2022
Present Value of obligation as the beginning of year	2,00,509	1,47,412
Interest Cost	13,835	9,729
Current service cost	42,130	38,606
Benefit Paid	0	0
Acturial (Gain)/Loss obligations	-4,408	4,762
Present Value of obligation as the end of year	2,52,066	2,00,509

iii) Change in the fair value of plan assets are as follows:

This information is not applicable as plan is not funded

iv) The Major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

This information is not applicable as plan is not funded

The principal assumptions used in determining gratuity for the company's plan is shown below :

Particulars	31st March 2023	31st March 2022
Mortality Table	IALM(2012-14) ult	IALM(2012-14) ult
Discount Rate	7.40%	6.90%
Rate of increase in compensation levels	7%	7%
Expected rate of return on plan assets	0	0
Expected average remaining working lives of employees (in year)	7.57%	7.8%
Withdrawal Rate		
Age upto 30 years	10%	10%
Age upto 31 - 40 years	10%	10%
Age upto 41 - 50 years	10%	10%
Age above 50 years	10%	10%



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*It is actuarially calculation term of the plan using probabilities of death, withdrawal and retirement

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors, such as supply and demand in employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to settle.

Amount for the current year and previous four year are as follows:

Particulars	31st March 2023	31st March 2022	31st March 2021	31st March 2020	31st March 2019
Present value of obligation	2,52,066	2,00,509	1,47,412	1,12,918	63,573
Plan (Assets)/Liabilities	-	-	-	-	-
Surplus/(deficit)	-2,52,066	-2,00,509	-1,47,412	-1,12,918	-63,573
Experience (Gain) or Loss on plan liabilities	3,795	8,804	-9,800	-402	-39,601
Experience (Gain) or Loss on plan assets	-	-	-	-	-

5. Related Party Disclosure

Related party under AS 18 with whom transactions have taken place during the year

Thermax Limited, India

Thermax Engineering and Construction Company, India

Thermax Instrumentation Limited

Thermax Onsite Energy Solution Limited

Details of transactions with related party -

Particulars	2022-23	2021-22
Donations received	6,85,68,000	7,54,12,466
Thermax Ltd- Receivables	3,41,643	3,41,643

6. The Company has entered into a MOU with the Akanksha Foundation, a non-profit organization, for running schools for which grant are given to the Akanksha Foundation.

7. Previous year's figures have been regrouped / rearranged wherever necessary to conform to this year's grouping and classification.

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

Signature of Mr. Shirish Rahalkar

Mr. Shirish Rahalkar
Partner
Membership No. 111212



For Thermax Foundation

Signature of Mrs. Meher Pudumjee

Mrs. Meher Pudumjee
Director
DIN:00019581

Signature

Signature

Place: Pune
Date: 4th July 2023

Signature